The information in this Placement Document is not complete and may be changed. This Placement Document is not an offer to sell Equity Shares and is not soliciting an offer to subscribe to Equity Shares. It is being issued for the sole purpose of providing information or discussion relating to the Equity Shares that may be issued through the Placement.

Placement Document
Not for Circulation
Serial Number: _____

FINANCIAL EYES (INDIA) LIMITED

(Incorporated in the Republic of India with limited liability with CIN L74899DL1994PLC061447 under the Companies Act, 1956)

Financial Eyes (India) Limited ("**FEIL**" or the "**Company**") is issuing up to 1,698,000 Equity Shares of face value of Rs. 10 each (the "**Equity Shares**") at a price of Rs.50 per Equity Share, including a premium of Rs.40 per Equity Share aggregating to Rs.84.90 Million (the "**Issue**").

ISSUE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI REGULATIONS") AND APPLICABLE TO US.

THIS ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING DONE IN RELIANCE UPON CHAPTER VIII OF THE SEBI REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA.

Invitations, offers and sale of Equity Shares in this Issue shall only be made pursuant to this Placement Document, the Application Form and the Confirmation of Allocation Note. The distribution of this Placement Document or the disclosure of its contents without prior consent of the Company, to any person, other than Qualified Institutional Buyers ("**QIBs**") as defined in the SEBI Regulations and persons retained by QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document agrees to observe the foregoing restrictions, and to make no copies of this Placement Document or any documents referred to in this Placement Document. See also the section **"Issue Procedure".**

This Placement Document has not been reviewed by the Securities and Exchange Board of India (the "**SEBI")**, the Reserve Bank of India (the "**RBI**"), the Bombay Stock Exchange Limited (the "**BSE**"), or any other regulatory or listing authority and is intended only for use by QIBs. This Placement Document has not been and will not be registered as a prospectus with the Registrar of Companies ("**RoC**") in India, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. **The placement of Equity Shares proposed to be made pursuant to this Placement Document is meant solely for QIBs on a private placement basis and is not an offer to the public or to any other class of investors.**

INVESTMENTS IN EQUITY SHARES AND EQUITY RELATED SECURITIES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION ENTITLED "RISK FACTORS" OF THIS PLACEMENT DOCUMENT BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT.

The information on any website directly or indirectly linked to the Company does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, such websites.

All of the Company's outstanding Equity Shares are listed on BSE. The closing price of the outstanding Equity Shares on the BSE on July 11, 2011 was Rs. 70.35 per Equity Share. Applications shall be made for the listing of the Equity Shares offered through this Placement Document on the BSE (the "**Stock Exchange**"). The Stock Exchange assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the Company or the Equity Shares.

YOU MAY NOT BE AND ARE NOT AUTHORIZED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

A copy of the Preliminary Placement Document has been delivered to the Stock Exchange and SEBI for record purposes. A copy of the Placement Document has been filed with the Stock Exchange. A copy of the Placement Document will also be delivered to SEBI for record purposes.

THIS PLACEMENT DOCUMENT HAS BEEN PREPARED BY THE COMPANY SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE OF THE EQUITY SHARES DESCRIBED IN THIS PLACEMENT DOCUMENT.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and they may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. For further information, see "Distribution and Solicitation Restrictions" and "Transfer Restrictions".

Book Running Lead Manager

Corporate Professionals Capital Private Limited
D-28, South Extn., Part-I,
New Delhi-110049

This Placement Document is dated July 12, 2011.

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NOTICE TO INVESTORS

We have furnished and accept full responsibility for the information contained in this Placement Document and, to the best of our knowledge and belief, having made all reasonable enquiries, confirms that this Placement Document contains all information with respect to us and the Equity Shares which is material in the context of this Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, we have made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

Corporate Professionals Capital Private Limited (the "Book Running Lead Manager") has not separately verified the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its respective members, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Placement Document acknowledges that such person has neither relied on the Book Running Lead Manager nor on any person affiliated with the Book Running Lead Manager in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document, and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of us or the Book Running Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction. No regulatory authority has passed or endorsed the merits of this Issue or the accuracy of adequacy of the Placement Document. Any representation to the contrary may be a criminal offence.

The distribution of this Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by us and the Book Running Lead Manager which would permit an

Issue of the Equity Shares or distribution of this Placement Document in any jurisdiction other than India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other Issue-related materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, investors must rely on their own examination of us and the terms of this Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning this Issue. In addition, neither we nor the Book Running Lead Manager are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each purchaser of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Equity Shares, to be issued pursuant to the Issue under Indian law, including under chapter VIII of the SEBI Regulations and is not prohibited by the SEBI or any other regulatory authority from buying, selling or dealing in securities. Each purchaser of Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from, and review information relating to, us and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

REPRESENTATIONS BY INVESTORS

All references to "you" in this section are to the prospective investors in the Issue. By subscribing to any Equity Shares under the Issue, you are deemed to have represented and warranted to us and the Book Running Lead Manager, and acknowledged and agreed as follows:

- you are a QIB as defined in regulation 2(1)(zd) of the SEBI Regulations and undertake to acquire, hold, manage or dispose of any Equity Shares that are allocated to you for the purposes of your business in accordance with chapter VIII of the SEBI Regulations;

- if you are not a resident of India, but are a QIB, you are a FII or a FVCI, and have a valid and existing registration with the SEBI under the applicable laws in India;

- if you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the Stock Exchanges;

- you are aware that the Equity Shares have not been and will not be registered under the SEBI regulations or under any other law in force in India; the Placement Document has not been verified or affirmed by the SEBI or the Stock Exchanges and will not be filed with the Registrar of Companies; the Preliminary Placement Document has been filed with the Stock Exchanges for record purposes only and has been displayed on the websites of the Stock Exchange. The final Placement Document has been filed with Stock Exchanges and will also be submitted to SEBI for record purposes only;

- you are permitted to subscribe for the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities;

- you are permitted to acquire the Equity Shares under the laws of all relevant jurisdictions and that you have all necessary capacity and have obtained all necessary consents and authorisations to enable you to commit to this participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorities to agree to the terms set out or referred to in the Placement Document) and will honour such obligations;

- neither the Company nor the Book Running Lead Manager are making any recommendations to you, advising you regarding the suitability of any transactions they may enter into in connection with the Issue, and that participation in the Issue is on the basis that you are not and will not be a client of the Book Running Lead Manager and that the Book Running Lead Manager will not have duties or responsibilities to you for providing the protection afforded to its clients or customers or for providing advice in relation to the Issue and is in no way acting in a fiduciary capacity;

- all statements other than statements of historical fact included in the Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements; such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward looking statements; such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future; you should not place undue reliance on forward-looking statements, which speak only as at the date of the Placement Document; we assume no responsibility to update any of the forward-looking statements contained in the Placement Document;

- you are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public, and the Allotment of the same shall be on a discretionary basis;

- you have made, or been deemed to have made, as applicable, the representations and warranties set forth under **"Transfer Restrictions";**

- you have been provided a serially numbered copy of this Placement Document and you have read and understood the Placement Document in its entirety, including in particular, the section titled **"Risk Factors";**

- in making your investment decision, you have (i) relied on your own examination of us and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of us, the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels, advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in the Placement Document and no other disclosure or representation by us or any other party and (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares;

- the Book Running Lead Manager has not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares); you will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares); you waive and agree not to assert any claim against the Book Running Lead Manager with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- you have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares, and you and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to us, our officers and/or the Book Running Lead Manager for all or part of any loss or losses that may be suffered, as a result of the investment in the Equity Shares, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

- where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- you are not a Promoter and are not a person related to the Promoters, either directly or indirectly, and your Bid does not directly or indirectly represent the Promoters or promoter group or person related to the Promoters;

- you have no rights under a shareholders agreement or voting agreement with the Promoters or persons related to the Promoters, no veto rights or right to appoint any nominee director on our Board of Directors other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter;

- you have no right to withdraw your Bid after the Bid Closing Date;

- you are eligible to Bid and hold Equity Shares so Allotted and any Equity Shares held by you prior to the Issue; you further confirm that your holding upon the issue of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- the Bids submitted by you would not eventually result in triggering a tender offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended (the "Takeover Code");

- to the best of your knowledge and belief, together with other QIBs in the Issue that belong to the same group or are under common control as you, the Allotment under the Issue shall not exceed 50% of the Issue; for purposes of this representation:

    a. the expression "belongs to the same group" shall by interpreted by applying the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act; and
    b. "control" shall have the same meaning as is assigned to it by clause (c) of sub clause (1) of Regulation 2 of the Takeover Code.

- you shall not undertake any trade in the Equity Shares credited to your Depository Participant account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges;

- You are aware that the Company has received in-principle approval from BSE for issue and allotment of the Equity Shares and that the application for the final listing and trading approval will be made only after the Allotment of the Equity Shares in the Offering, and there can be no assurance that such final approval will be obtained on time or at all;

- you are aware and understand that the Book Running Lead Manager have entered into a placement agreement with us whereby the Book Running Lead Manager have, subject to the satisfaction of certain conditions set out therein, undertaken to use its best efforts as our agent to seek to procure subscription for the Equity Shares;

- the contents of this Placement Document are exclusively our responsibility and that neither the Book Running Lead Manager nor any person acting on their behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on our behalf and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise; by accepting a participation in this Issue, you agree to the same and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Manager or us or any other person, and neither the Book Running Lead Manager nor we nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- the only information you are entitled to rely on, and on which you have relied, in committing yourself to acquire the Equity Shares is contained in the Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and that you have neither received nor relied on any other information given or representations, warranties or statements made by the Book Running Lead Manager (including any view, statement, opinion or representation expressed in any research published or distributed by the Book Running Lead Manager or its affiliates or any view, statement, opinion or representation expressed by the staff (including research staff) of the Book Running Lead Manager or its affiliates) or us and neither us nor the Book Running Lead Manager will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement;

- you agree to indemnify and hold us and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements and agreements in this Placement Document; you agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by or on behalf of the managed accounts;

- you understand that the Book Running Lead Manager do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by us of any of our obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- you are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000, as amended from time to time, and have not been prohibited by the SEBI from buying, selling or dealing in securities;

- you are a sophisticated investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

- each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment of the Equity Shares in the Issue; and

- we, the Book Running Lead Manager, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to the Book Running Lead Manager on its own behalf and on our behalf and are irrevocable.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, copies of this Placement Document have been filed with the Stock Exchange. The Stock Exchange does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of the Placement Document;
- warrant that our Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or
- take any responsibility for our financial or other soundness, our Promoters, our management or any scheme or project of ours or any business of ours.

The filing of this Placement Document should not for any reason be deemed or construed to mean that the Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended, an FII may issue or otherwise deal in offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments (all such offshore derivative instruments are referred to herein as "**P-Notes**") against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by appropriate foreign regulatory authorities in the countries of their incorporation or establishment and subject to compliance with "know your client" requirements. An FII shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to the Placement Document. This Placement Document does not contain any information concerning P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued by an FII are not our securities and do not constitute any obligation of, claims on or interests in us. We have not participated in any offer of any P-Notes, the establishment of the terms of any P-Notes or preparation of disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties unrelated to us. We do not make any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with the P-Notes. Any P-Notes that may be issued by an FII are not securities of the Company or the Book Running Lead Manager and do not constitute any obligations or claims on the Book Running Lead Manager. FII affiliates of the Book Running Lead Manager who are registered as foreign institutional investors as defined under the SEBI Regulations, or their sub-accounts registered with the SEBI, other than a sub-account which is a foreign corporate or foreign individual may purchase, to the extent permissible under law, Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither the SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether PNotes are issued in compliance with applicable laws and regulations.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "contemplate", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "predict", "project", "propose", "pursue", "seek", "shall", "should", "target", "will", "would", and the negative of such terms or other words or phrases of similar import. In addition, statements regarding our expected financial condition and results of operations and business plans, strategies, projects and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, proposed expansion plans and other matters discussed in this Placement Document regarding matters that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, performance or achievements to differ materially from our expectations include, among others:

- continued economic growth in India;
- regulatory changes in India and our ability to respond to them;
- our ability to successfully implement our strategy, growth and expansion plans;
- technological changes;
- our exposure to market risks;
- equity prices or other rates or prices;
- performance of Indian debt and equity markets;
- our ability to hire and retain qualified personnel;
- general political, economic and business conditions in India and other countries;
- occurrence of natural calamities or natural disasters affecting the areas in which the Company has operations; and
- changes in foreign control regulations in India.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to those discussed under the sections titled "Management's Discussion and Analysis of Financial Condition", "Results of Operations", "Industry Overview" and "Business" respectively, of this Placement Document. Such forward-looking statements and any other projections contained in this Placement Document (whether made by us or any third party) are predictions and are subject to various known and unknown risks and uncertainties. Accordingly, there are or will be factors that could cause actual performance, achievements, results or outcomes to differ materially from those contemplated by the relevant statement. We believe these factors include, but are not limited to, those described under "Risk Factors". These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Placement Document. We undertake no obligation to publicly update or review any forward looking statement, whether as a result of new information, future developments or otherwise.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management of our Company, as well as the assumptions made by and information currently available to the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct.

Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise or if any of our underlying assumptions, prove to be incorrect, our actual results of operations or financial condition, could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

We are a limited liability company incorporated under the laws of India. Most of our directors and key managerial personnel named herein are residents of India and all or a substantial portion of assets belonging to us or such persons are located in India. As a result, it may be difficult for investors to affect service of process upon us or such persons outside India or to enforce judgments obtained against such parties outside India. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "Civil Code") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law in force in India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a "superior court" within the meaning of that section in any country or territory outside India which the Government has by notification declared to be in a "reciprocating territory", it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code, but the United States has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India.

Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Placement Document, unless the context otherwise indicates or implies, references to:

- "you", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in this Issue;
- "we," "us," "our" and "Company" refer to Financial Eyes (India) Limited;
- a particular year are to the calendar year ended on December 31; and
- a particular "fiscal" or "fiscal year" are to the fiscal year ended on March 31 except for the Year 2010 where the fiscal year ended on June 30.

In this Placement Document, references to "USD" and "U.S. dollars" are to the legal currency of the United States and references to "Rs." and "Rupees" are to the legal currency of the Republic of India. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions, and all references to "India" are to the Republic of India and its territories and possessions. We publish our financial statements in Rupees. Unless otherwise indicated, all financial data in this Placement Document is derived from our financial statements, which have been prepared in accordance with Indian GAAP and the Companies Act. Our financial statements, consisting of the audited financial statements as of and for fiscal 2008, 2009 and 2010 included in this Placement Document are prepared in accordance with Indian GAAP and the Companies Act and are referred to herein as "Financial Statements". Indian GAAP differs in certain significant respects from International Financial Reporting Standards ("**IFRS**") and U.S. GAAP. We do not provide a reconciliation of our financial statements to IFRS or U.S. GAAP financial statements. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

INDUSTRY AND MARKET DATA

Information included in this Placement Document regarding the industry data pertaining to our businesses consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which we compete. Certain statistical information included in this Placement Document pertaining to the various sectors in which we operate has been reproduced from trade, industry and government publications and websites.

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so we have relied on internally developed estimates.

While we have compiled, extracted and reproduced this data from external sources, including third parties, trade, industry or general publications, we accept no responsibility for accurately or completely reproducing such data. Neither we nor the Book Running Lead Manager have independently verified this data, nor do we make any representation regarding the accuracy of such data. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the Book Running Lead Manager can assure potential investors as to their accuracy.

CERTAIN DEFINITIONS AND ABBREVIATIONS

We have prepared this Placement Document using the definitions and abbreviations below which you should consider when reading the information contained herein.

Company-Related Terms

Term	Description
Articles of Association	Articles of Association of Financial Eyes (India) Limited
Auditors	M/s Nangia & Company, Statutory Auditors of the Company
Board of Directors or Board	The Board of Directors of Financial Eyes (India) Limited or any duly constituted committee thereof
Company	Financial Eyes (India) Limited
Equity Shares	Equity Shares of the face value of Rs.10 each
Memorandum of Association	Memorandum of Association of Financial Eyes (India) Limited
Registrar of Companies	Registrar of Companies NCT of Delhi and Haryana

Issue-Related Terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares following the determination of the Issue Price to QIBs on the basis of Application Forms submitted by them, in consultation with the Book Running Lead Managers in compliance with chapter VIII of the SEBI Regulations
Allottees	Persons to whom Equity Shares are issued pursuant to the Issue
Allotment or Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares pursuant to the Issue
Application Form	The form pursuant to which a QIB shall submit a bid in the Issue
Bid Closing Date	July 06, 2011, the date on which the Company (or the Book Running Lead Managers, on behalf of the Company) shall cease acceptance of Application Forms
Bid Opening Date	June 22, 2011, the date on which the Company (or the Book Running Lead Managers on behalf of the Company) shall commence acceptance of Application Forms
Bid(s)	Indication of a QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares in the Issue
Bidding Period	The period between the Bid Opening Date and Bid Closing Date, inclusive of both dates, during which prospective QIBs can submit their Bids
Book Running Lead Managers	Corporate Professionals Capital Private Limited
CAN or Confirmation of Allocation Note	Note, advice or intimation to not more than 49 QIBs confirming the Allocation of Equity Shares to such QIBs after discovery of the Issue Price and requiring payment of the Issue Price for all the Equity Shares allocated to such QIBs
Cut-off Price	The Issue Price of the Equity Shares which shall be finalized by the Company in consultation with the Book Running Lead Managers
Escrow Bank	Punjab National Bank
Escrow Bank Account	"Financial Eyes (India) Limited-QIP Escrow Account" into which payment of application money shall be made by the QIBs

Term	Description
Floor Price	The floor price of Rs.50/- (Rupees Fifty Only) which has been calculated in accordance with chapter VIII of the SEBI Regulations and below which the Equity Shares shall not be allotted in the Issue
Issue	The offer and sale of 1,698,000 Equity Shares to QIBs, pursuant to chapter VIII of the SEBI Regulations
Issue Price	Rs. 50/- (Rupees Fifty Only) per Equity Share, which is equal to Floor Price
Issue Size	1,698,000 Equity Shares at a price of Rs. 50/- per Equity Share aggregating to Rs.84.90 Million.
Listing Agreement	The agreement entered into between the Company and the Stock Exchanges in relation to listing of the Equity Shares on the Stock Exchanges.
Pay-in Date	The last date specified in the CAN sent to the QIBs
Placement Document	The Placement Document to be issued in accordance with chapter VIII of the SEBI Regulations
Preliminary Placement Document	This Preliminary Placement Document issued in accordance with chapter VIII of the SEBI Regulations
Promoters	Mrs. Abhilasha Agarwal
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under regulation 2(1)(zd) of the SEBI Regulations
QIP	Qualified Institutions Placement under chapter VIII of the SEBI Regulations

Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual General Meeting
BSE	The Bombay Stock Exchange Limited
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Civil Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956, as amended
Depositories Act	The Depositories Act, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act
ECB	External Commercial Borrowings
ECB Guidelines	The ECB guidelines issued by the RBI on July 1, 2008 (RBI/2008-09/20 Master Circular No. /07 /2008-09)
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESOP	Employee Stock Option Plan
ESOS	Employee Stock Option Scheme
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, as amended, and the regulations issued thereunder
FII	Foreign Institutional Investor as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended) registered with the SEBI
FIPB	Foreign Investment Promotion Board

Term	Description
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI or Government	Government of India, unless otherwise specified
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
ISO	International Organisation for Standardization
IT	Information Technology
IT Act	The Income Tax Act, 1961, as amended
MAT	Minimum Alternate Tax
Mutual Fund or MF	A mutual fund registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996
NAV	Net Asset Value
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
R&D	Research and Development
RBI	Reserve Bank of India
Regulation S/Reg S	Regulation S under the Securities Act
Rs. or Rupees	Indian Rupees
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Securities Act	The U.S. Securities Act of 1933, as amended
SENSEX	Index of 30 stocks traded on BSE representing a sample of large and liquid listed companies
Stock Exchange	BSE
STT	Securities Transaction Tax
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997, as amended from time to time
UAE	United Arab Emirates

Industry Related Terms

Term	Description
Lentil	Masur
Millet	Jowar
Rape Seed	Mustard

SUMMARY

Incorporated on September 13, 1994, Financial Eyes (India) Limited was registered as Non Banking Finance Limited with Reserve Bank of India under Section 45IA of the Reserve Bank of India Act, 1934 vide certificate of registration dated August 14, 1998 bearing No. 14.01041. We came out with the IPO in May 1995 and our Equity Shares are currently listed on Bombay Stock Exchange Limited (BSE). On March 06, 2007, the Company had applied for deregistration as NBFC and vide letter dated July 25, 2007, RBI had cancelled the certificate.

The Company was originally promoted by Mr. Sanjay Kaul. Vide Share Purchase Agreement dated January 30, 2006 and Public Announcement made on February 03, 2006 in terms of Takeover Code, Ms. Abhilasha Agarwal had acquired the entire stake of the promoters along with management control of the Company.

The New Avtaar:

In the year 2007, the Company surrendered its certificate of registration as NBFC to RBI and, with an enthused dynamic professionally qualified management team, took the drastic paradigm shift by venturing into the new business of international trade in commodities.

Initially, the Company was engaged into the export of food agric commodities and food grains such as maize, Rice (both long rain and parboiled), sorghum etc. Gradually, the basket of commodities being dealt by the Company has been expanded to include capital good equipment ranging from road construction machinery to small scale plant and machinery, from coffee to spices, import and export of both raw sugar and refined sugar, import of PVC and other commodities such as yellow peas.

Basket of Commodities

- Maize
- Bajra
- Sorghum
- Rice
- Millet
- Sorghum
- Lentils
- Raw Sugar both imports and Exports
- Refined Sugar both import and export
- Asphalt Plants
- Import of PVC related formulations and products.
- Coffee and Spices
- Indian Yellow Soya Bean Meal
- Rape Seed Meal

Our Major Buyers/Suppliers

We have been associated with the following international names who have built the faith on us due to our committed performance:

- Concordia Agritrading Pte Ltd., Singapore.
- Emirates Trading Agency, Dubai.
- NJ Debhai & Co, Syria.

- ARASCO, Syria.
- Sudima International Pte Ltd., Singapore.
- Weetiong(S) Pte Ltd., Singapore.
- Bunge Internatioal Ltd.
- Agrocorp , Singapore.
- Vitol Sugar SA ,Switzerland.
- Olam International, Singapore.
- Vitol.
- Eridania Suisse SA.
- Scipio.
- Government of Afghanistan.
- Government of Nigeria.
- Formosa Platics, Taiwan.
- Peter Craemer (S) Gmbh.
- Scipio S.A.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue:

Issuer	Financial Eyes (India) Limited
Issue Size	1,698,000 Equity Shares of face value of Rs. 10 each at an Issue Price of Rs.50 each, aggregating to Rs.84.90 Million. A minimum of 10% of the Issue Size shall be available for Allocation to MFs only. If no MF is agreeable to take up the minimum portion mentioned above, such minimum portion or part thereof may be Allotted to other QIBs.
Issue Price	Rs. 50/- per Equity Share
Eligible Investors	QIBs as defined in regulation 2(1) (zd) of the SEBI Regulations. **See "Issue Procedure".**
Equity Shares issued and outstanding immediately prior to the Issue	30,00,070 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	81,98,070 Equity Shares including the preferential allotment of 35,00,000 Equity Shares on the conversion of warrants made on July 08, 2011 simultaneously with allotment of Equity Shares under QIP.
Listing	The Company has received in-principle approval from BSE for issue and allotment of the Equity Shares and that the application for the final listing and trading approval will be made only after the Allotment of the Equity Shares in the Offering.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the Stock Exchanges.
Use of Proceeds	We estimate that our net proceeds from the Issue, after deducting placement agent discounts and estimated offering expenses, will be approximately Rs. 83.80 Million. We intend to use the net proceeds from the Issue towards the development of the Company's Business. See **"Use of Proceeds"** for additional information.
Closing	The Allotment of the Equity Shares offered pursuant to this Issue is made on July 08, 2011 (the "**Closing Date**").
Ranking	The Equity Shares being issued shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares including rights in respect of dividends. Shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by us after the Closing Date, in compliance with the Companies Act. Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. See **"Description of the Equity Shares".**
Security Codes for the Equity Shares	**ISIN:** INE708C01016 **BSE Code**: FINEYE
Risk Factors	See **"Risk Factors"** for a discussion of risks you should consider before investing in the Equity Shares.

SUMMARY FINANCIAL INFORMATION

The following summary financial information as at and for the three years ended June 30, 2010, March 31, 2009 and March 31, 2008 has been derived from our audited financial statements included elsewhere in this Placement Document.

You should read the following summary financial information in conjunction with our financial statements and the related notes and **"Management's Discussion and Analysis of Financial Condition and Results of Operations"** included elsewhere in this Placement Document. Our Financial statements have been prepared in accordance with Indian GAAP and are presented in Rupees.

Our historical results do not necessarily indicate our results expected for any future periods.

Balance Sheet

As at June 30, 2010, March 31, 2009, and March 31, 2008

(Amount in Rs.Million)

	As at June 30, 2010	As at March 31, 2009	As at March 31, 2008
I. SOURCES OF FUNDS			
1. Shareholders' Funds:			
A. Share Capital	30.00	30.00	30.00
B. Reserves and Surplus	109.87	74.17	53.17
C. Share Application Money	137.50	-	-
	277.37	**104.17**	**83.17**
2. Loan Funds			
A. Secured Loans	495.45	200.73	243.20
B. Unsecured Loans	50.00*	50.00	20.00
	545.45	**250.73**	**263.20**
3. Deferred Tax Liabilities	**0.05**	**0.57**	**-**
Total	**822.87**	**355.47**	**346.37**
II. APPLICATION OF FUNDS			
1. Fixed Assets :			
A. Gross Block	45.90	27.60	14
B. Less : Depreciation	9.17	2.68	0.27
C. Net Block	**36.73**	**24.92**	**13.73**
2. Deferred Tax Assets	**-**	**-**	**0.13**
2. Investments	**2.58**	**4.08**	**4.18**
3. Current Assets, Loans and Advances			
A. Current Assets :			
a. Inventories	264.76	115.44	265.58
b. Sundry Debtors	685.76	587.76	60.13
c. Cash and Bank Balances	248.96	69.28	30.08
B. Loans and Advances	134.16	55.52	30.70
Less: Current Liabilities and Provisions :			
A. Current Liabilities	530.63	488.45	46.81
B. Provisions	19.45	13.08	11.34
Net Current Assets	**783.57**	**326.46**	**328.33**
Total	**822.87**	**355.47**	**346.37**

*The above mentioned loan has been repaid to the full satisfaction of the lender on 09.12.2010 and 10.12.2010 respectively.

Profit and Loss Account

As at June 30, 2010, March 31, 2009, and March 31, 2008.

(Amount in Rs.Million)

	For the year ended June 30, 2010	For the year ended March 31, 2009	For the year ended March 31, 2008
INCOME			
Income from Operations	3731.15	2462.56	2016.55
Export Incentives	2.55	42.27	5.91
Other Income	18.06	1.59	2.00
Accretion/(Decretion) in Inventory	149.32	(150.14)	191.79
Total Income	**3901.09**	**2356.28**	**2216.25**
EXPENDITURE:			
Operating, Selling & other expenses	3773.49	2289.64	2162.90
Total Expenditure	**3773.49**	**2289.64**	**2162.90**
Profit before interest, depreciation and amortization	**127.59**	**66.62**	**53.34**
Interest	66.27	29.05	21.65
Depreciation and amortisation	6.50	2.41	0.19
Profit Before Taxation	**54.84**	**35.17**	**31.50**
-Provision for Taxes	18.93	12.43	11.04
- Deferred Taxes (net)	(0.51)	0.69	(0.16)
- Income Tax Paid/ (Written Back)	-	-	0.34
- Fringe Benefit Tax	-	0.41	0.21
- Pertaining to earlier years written off/(back)	0.72	0.63	-
Profit After Taxation & Before Exceptional items	**35.70**	**21.01**	**20.07**
Add : Exceptional Income	-	-	-
Less) : Exceptional expenditure	-	-	
Profit After Exceptional Items	**35.70**	**21.01**	**20.07**
Add/ (less) : Provision for Contingency	-	-	-
Profit After Exceptional items	**35.70**	**21.01**	**20.07**
Earnings per Share			
Basic (Rs.)	11.90	7.00	6.69
Diluted (Rs.)	11.90	7.00	6.69
Equity shares, par value Rs 10 each	30,00,070	30,00,070	30,00,070

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any of the following risks actually occur, our business, profitability and financial condition could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment in the Equity Shares. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. In addition, the risks set forth in this Placement Document may not be exhaustive and additional risks and uncertainties not presently known, or which the Company currently seems immaterial, may arise or become material in the future.

Risks Related to our Business in General

The conditions and restrictions imposed by the lenders under the financing arrangements could adversely affect our ability to conduct our business and operations.

We have entered into financial arrangement with Punjab National Bank (**"PNB"**) for obtaining the fund based as well as non fund based financial assistance which has been modified/increased from time to time. The financial assistance is typically secured by a combination of security interest including hypothecation of stocks of agricultural products and other current assets present & future, future receivables, Personal Guarantee of promoter of the Company, Pledge on shares of promoters of FEL. The security allows our lenders to sell the relevant assets in the event of our default, or exercise other such related rights.

The financing agreements that we currently have or which we may enter into in the future may be unilaterally terminated by our lenders or they could decline to lend to us under such agreements.

Certain operations are being conducted on premises that have been taken on lease. Our inability to seek renewal or extension of such lease terms may cause disruption in our operations.

Certain premises on which we operate are taken on lease with various third parties. Any adverse impact on the title, ownership rights, development rights of the owners from whose premises we operate or any breach of the contractual terms of such lease or any inability to renew the said leases on terms acceptable to us may adversely affect our business and results of operations.

Our business segments are highly cyclical and subject to seasonal fluctuations.

Our business segment is highly cyclical. For example, our commodities trading business may be adversely affected by changes in the supply and demand of agricultural commodities that are caused by market fluctuations outside of our control. These include global and regional economic conditions, developments in international trade, commodities prices, weather patterns, crop yields, foreign exchange fluctuations, armed conflicts, embargoes and strikes, among other factors. These can negatively affect the creditworthiness of our customers and suppliers and may adversely affect our business, results of operations and financial position.

We operate in highly competitive markets in which our performance could be affected if we were unable to respond to rapid changes in the market, consumer preferences or other competitive factors.

Our businesses are in highly competitive sectors and we face competition on a local, regional, national and international level. Although barriers to entry are high in a number of our businesses, we face additional competition from new entrants and from our existing customers who are becoming more involved in sourcing to satisfy their own supply requirements. Maintaining or increasing our market share will depend upon our ability to anticipate and respond to various competitive factors affecting our business segments, including our ability to improve our processes, respond to pricing strategies of our competitors and adopt new technology efficiently.

Any failure to compete effectively, including any delay in our reactions to changes in market conditions, may affect our competitiveness, thereby reducing our market share and resulting in a decline in our revenues. There can be no assurance that we will be able to continue to compete successfully and the competitive environment may have an adverse effect on our business, financial position and results of operations.

Our business is international in nature and we are exposed to the risks of doing business in different countries.

Our business, such as commodity trading is International in nature and as a result, we are exposed to risks typically associated with conducting business internationally, many of which are beyond our control. These risks include:

- Social, political or regulatory developments that may result in an economic slowdown in any regions that we are currently operating in or intend to operate in future;
- Legal and contractual uncertainty due to the overlap of different legal regimes, and problems in asserting contractual or other rights, across international borders or due to other reasons;
- Potentially adverse tax consequences, such as scrutiny of transfer pricing arrangements by authorities in the countries in which we operate and increase of withholding and other taxes;
- Potential tariffs and other trade barriers;
- Changes in regulatory requirements;
- the burden and expense of complying with the laws and regulations of various jurisdictions; and terrorist attacks and other acts of violence or war.

The occurrence of any of these events could have an adverse effect on our business, prospects, results of operations and financial condition.

We generally do not have long-term contracts with our customers.

We generally do not have any long-term contracts with our customers and there is no assurance that our present customers will continue to procure orders from us. Any loss of our major customers can lead to reduced business and margins and adversely affect our results of operations and financial condition.

We rely on third parties for transportation of goods and any increase in transportation costs or disruption in transportation services may adversely affect our results of operations.

Transportation costs represent a significant portion of the total cost of our trading operations. Any increase in the cost of transportation could result in reduced margins for us, which may adversely affect our results of operations. Additionally, the lack of adequate transportation infrastructure may result in delays in delivery and may require us to hire alternative transportation services at higher cost, thereby adversely affecting our business and financial condition.

Any disruption of transportation services because of weather-related problems, infrastructure damage, strikes, lock-outs, lack of fuel or maintenance items, transportation delays or other events could impair our ability to timely or economically supply goods to our customers and adversely affect our reputation and results of operations.

We operate in highly regulated industries. Failure to comply with existing rules or enforcement of more stringent regulations in the future may affect our business and results of operations.

We operate in the agricultural commodities, several aspects of which are highly regulated and are significantly affected by government policies and regulations. Government policies, such as taxes, tariffs, duties, subsidies, import and export restrictions can influence industry profitability. Future government policies may adversely affect the demand for and the supply and prices of our products and markets and restrict our ability to do business in our existing and target markets, which could have an adverse effect on our business, financial position and results of operations.

We require certain registrations and permits from government and regulatory authorities in the ordinary course of business and the failure to obtain them in a timely manner or at all may adversely affect our operations.

We require a number of approvals, licenses, registrations and permits for operating our businesses. Whilst we have obtained a significant number of approvals for our businesses, however, we may need to apply for additional approvals and licenses in future. Further, we may need to renew some of the approval and licenses, which may expire, from time to time, in the ordinary course. If we fail to obtain or renew any applicable approvals, licenses, registrations and permits in a timely manner, our ability to undertake our businesses may be adversely impacted, which could adversely affect results of operations and profitability.

There can be no assurance that we will be able to apply for any approvals, licenses, registrations or permits in a timely manner, or at all, and there can be no assurance that the relevant authorities will issue or renew any such approvals, licenses, registrations or permits in the time frames anticipated by us. Further, we cannot assure that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure to renew the approvals that have expired or apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, may impede our operations and we may be required to incur additional expenditure in this regard.

Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.

We employ a significant number of employees and historically, we have not experienced any significant strikes or other labor disputes. In the future, there can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations. Furthermore, efforts by labor unions may divert management‘s attention and result in increased costs. We may be unable to negotiate acceptable collective bargaining agreements with those who have chosen to be represented by unions, which could lead to union initiated work stoppages, including strikes, thereby adversely affecting our business and results of operations.
We may enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labor necessary to complete such assignments. Although we do not engage these labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, financial condition and results of operations. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a portion of such contract labourers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business and results of operations.

Increasing levels of compensation for employees and workers in India may reduce our international competitive advantage and result in lower profit margins.

Levels of compensation for employees and workers in India have historically been significantly lower than levels of compensation outside India for comparably skilled professionals and unskilled workers, which has been one of our competitive strengths in our international projects. However, recent significant compensation increases in India could reduce some of this competitive advantage and may negatively affect our profit margins. Employee and worker levels of compensation in India are increasing at a faster rate than outside India, which could result in increased salary costs of engineers, managers and other professionals and workers. We may need to continue to increase the levels of our employee and worker compensation to remain competitive and manage attrition. Any such increases could have an adverse effect on our business and results of operations.

Risks Related to the Company

Our Promoters have pledged certain of their shareholding in the Company, we cannot assure you that they will satisfy their debt service obligations and/or continue to be Promoters of the Company.

Our Promoters have pledged certain of their shareholding to Punjab National Bank to secure loans of the Company. Pursuant to the terms of the agreements, deeds or other documents entered into by the Promoters in connection with such pledge of shares, in the event of a decline in the market price of our Equity Shares, the Promoters have an obligation to pledge such number of additional Equity Shares as may be required to meet any shortfall resulting from the decline in the market price of the Equity Shares. As a result, any default under the financing documents may result in bank selling the Equity Shares pledged to such bank in the open market, thereby diluting the shareholding of our Promoters. Such sale of Equity Shares may also result in the price of the Equity Shares being adversely affected. Further, any action initiated by a lender may result in the price of the Equity Shares being adversely affected along with our ability to obtain further funding from other banks and financial institutions.

Increases in interest rates may affect our results of operations.

The majority of our financial assistance, are subject to floating interest rates, which exposes us to interest rate risk. Any increase in interest expense may have an adverse effect on our business prospects, financial condition and results of operations.

Our management team and other key personnel are critical to our continued success and the loss of any such personnel could harm our business.

Our future success substantially depends on the continued service and performance of the members of our management team and other key personnel. These personnel possess business capabilities that are difficult to replace. If we lose the services of any of these or other key personnel, we may be unable to replace them in a timely manner, or at all, which may affect our ability to continue to manage and expand our business.

Fluctuation of the Rupee against foreign currencies may have an adverse effect on our results of operations.

While we report our financial results in Indian rupees, portions of our total income and expenses are denominated, generated or incurred in currencies other than Indian rupees. Further, we incur expenditures and also procure same materials in foreign currencies. To the extent that our income and expenditures are not denominated in Indian rupees, exchange rate fluctuations could affect the amount of income and expenditure we recognize.

Any variation in the tax rate will increase our tax liability and decrease any profits we might have in the future.

The statutory corporate income tax rate in India is currently 30.00%. This tax rate is presently subject to a 7.5% surcharge provided that the net income of the Indian company exceeds Rs. 10 Million and an education cess (including a secondary and higher education cess) of 3%, resulting in an effective tax rate of 33.22%. We cannot assure you that the tax rate or the surcharge will not be increased further in future.

Our insurance coverage may not adequately protect us against certain operational risks and we may be subject to losses that might not be covered in whole or in part by existing insurance coverage.

We maintain insurance which we believe is typical in our industry and in amounts which we believe are commercially appropriate for a variety of risks, which include risks relating to fire. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, particularly when the loss suffered is not easily quantifiable. Even if we have availed of an adequate insurance cover, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms.

Furthermore, there can be no assurance that in the future we will be able maintain insurance of the types or at levels which we deem necessary or adequate.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Any such uninsured losses or liabilities could result in a material adverse effect on our business operations, financial condition and results of operations.

We have entered and may continue to enter into a significant number of related party transactions with our Promoters and Promoter Group entities.

We have entered and will continue to enter into a significant number of related party transactions with our promoters, promoter group entities, associates, key management and enterprises having common key management personnel with us. For a list of related parties, please see Note 12 and 11 to our audited financial statements for Fiscals 2010 and 2009 respectively. Related party transactions entered into by us during fiscal year 2010 and 2009 have been disclosed in our audited financial statements, see Note 12 and 11 to our audited financial statements for Fiscals 2010 and 2009 respectively. While we believe that all our related party transactions have been conducted on an arm‘s length basis, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Furthermore, we may enter into significant levels of related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise.

Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessment of our financial condition.

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

We do not own the trademark and logo appearing in this Placement Document. If we are unable to use the trademark and logo, our results of operations may be adversely affected.

The trademark and the logo of the Company as appearing in this Placement Document are not owned by us. We believe that the Trademark and the Logo are important for our business. Infringement of the Trademark and the Logo, for which we may not have any immediate recourse, may adversely affect our ability to conduct our business, as well as affect our reputation, and consequently, our results of operations.

USE OF PROCEEDS

We estimate that our net proceeds from the Issue, after deducting fees, commission and estimated offering expenses, will be approximately Rs. 83.80 Million.

Subject to compliance with applicable laws and regulations, we intend to use the net proceeds from the Issue towards:

- Setting up, development and escalation of operations of Company’s business.
- Setting up and development of new branches/units of the Company Overseas and in India.
- Improvisation of marketing capabilities and techniques (Domestically and internationally).
- Broaden the customer base worldwide and meeting up to the expectations thereof.
- Ensure enough liquidity in the Company to counter the unwanted/unexpected situations.

CAPITALISATION

The following table sets forth our capitalization as at June 30, 2010 on an:

- actual basis as set forth in the audited financial statements prepared in accordance with Indian GAAP; and
- as adjusted basis to give effect to the Issue.

You should read this table together with **“Summary Financial Information”**, **“Management’s Discussion and Analysis of Financial Condition”, “Results of Operations”** and **“Financial Statements”** and the related notes thereto included elsewhere in this Placement Document.

Particulars	**As at June 30, 2010**	
	Actual (Rs. In Millions)	**As Adjusted (Rs. In Millions)**
Loan Funds:		
Secured	495.45	495.45
Unsecured	50.00*	50.00*
Total debt	**545.45**	**545.45**
Shareholders’ funds:		
Share capital	30.00	81.98
Reserves and surplus	109.87	317.79
Share Application Money	137.50	0.00
Total funds (excluding loan funds)	**277.37**	**399.77**
Total Capitalization	**822.82**	**945.22**

*The above mentioned loan has been repaid to the full satisfaction of the lender on 09.12.2010 and 10.12.2010 respectively.

MARKET PRICE AND OTHER INFORMATION CONCERNING THE EQUITY SHARES

As on the date of this Placement Document, 30,00,070 of the Equity Shares were issued and outstanding. The Equity Shares are listed on BSE. On July 11, 2011, the closing price of the Equity Shares on BSE was Rs. 70.35 per Equity Share.

The table set forth below provides the high and low prices of the Equity Shares and also the volume of trading activity for the specified periods.

Equity Share Price Information

A. *Equity Share Price Information for last three fiscal years*

The high, low and average market prices of the Equity Shares of the Company on the BSE for the last three fiscal years are as follows:

Year ended March 31	High (Rs)	Date of High	Volume on date of High	Low (Rs)	Date of Low	Volume on date of Low	Average Price (Rs)*
2011	64.5	August 02, 2010	471	33.85	February 28, 2011	2710	47.32
2010	57	July 23, 2009	1876	21.3	May 15, 2009	50	39.97
2009	122.45	April 24, 2008	4,496	21.5	March 18, 2009	550	58.90

(www.bseindia.com)

B. *Equity Share Price Information for preceding six months*

The monthly high, low and average market prices of the Equity Shares of the Company on the BSE for the last six months are as follows:

Month	High (Rs)	Date of High	Volume on date of High	Low (Rs)	Date of Low	Volume on date of Low	Average Price (Rs)*
June 2011	64.60	June 30, 2011	6482	39.55	June 01, 2011	99	50.22
May 2011	42.00	May 16, 2011	158	34.45	May 03, 2011	25	38.36
April 2011	43.80	April 07, 2011	16	34.35	April 1, 2011	40	39.52
March 2011	39.75	March 15, 2011	4	34.15	March 17, 2011	34559	36.06
February 2011	41.95	February 15, 2011	1	33.85	February 28, 2011	2710	38.15
January 2011	45.50	January 11 2011	3317	38.50	January 21, 2011	5600	41.58

(www.bseindia.com)

*****In the case of a year, average represents the average of the closing prices on the last day of each month of each year presented. In the case of a month, represents the average of the closing prices of each day of each month presented.

C. Details of the volume of business transacted during the last six months on the Stock Exchanges:

Month	BSE
June 2011	88,830
May 2011	56,678
April 2011	13,258
March 2011	149,912
February 2011	127,915
January 2011	62,050

(www.bseindia.com)

D. Market price on August 30, 2010, the first working day following the Board Meeting approving the Qualified Institutional Placement:

BSE				
Open	**High**	**Low**	**Close**	**Volume**
57.05	60.15	56.20	59.85	5,185

(www.bseindia.com)

DIVIDEND

Our Articles of Association grant discretion to our Board of Directors to declare and pay interim dividends from our Profits as appear to it to be justified.

Equity Shares

The Equity Shares to be issued in this Issue shall qualify for any dividend, if any that may declare in respect of the financial Year in which they have been allotted. During the last three years, no dividend has been declared by us on the Equity Shares.

The current rate of dividend distribution tax is 16.995%.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

You should read the following discussion of our financial condition and results of operations together with our audited financial statements under Indian GAAP including the schedules, annexure and notes thereto and the reports thereon, which appear in this Placement Document. Indian GAAP and IFRS differ in certain material respects. For more information see "Risk Factors". Unless otherwise stated, the financial information used in this section is derived from our audited financial statements under Indian GAAP.

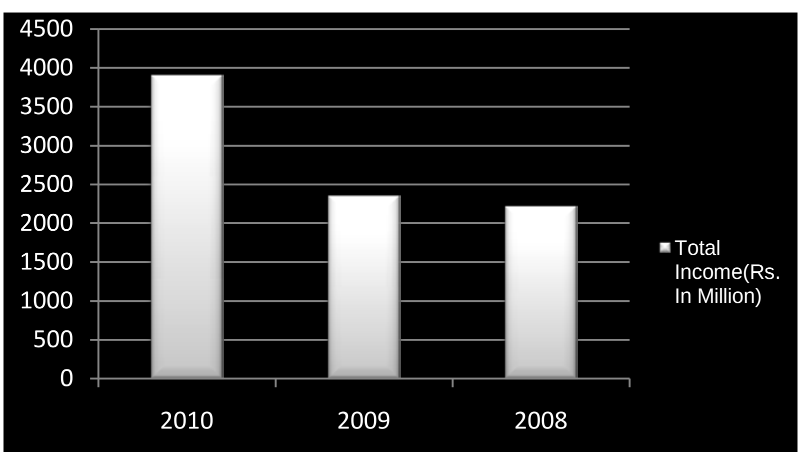
Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the 12-month period ended March 31 of that year except for the year 2010 where the financial year ended on June 30. In this section only, any reference to "we," "us" or "our" refers to Financial Eyes (India) Limited.

Overview

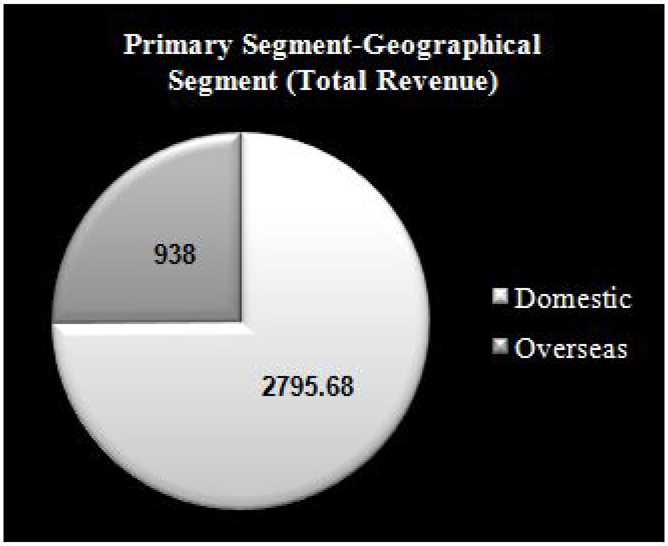
In the year 2007, after the change in control and management, the Company surrendered its certificate of registration as NBFC to RBI and with an enthused dynamic professionally qualified management team, took the drastic paradigm shift by venturing into the new business of international trade in commodities.

The basket of commodities being dealt by the Company includes food agric commodities and food grains such as maize, Rice (both long rain and parboiled), sorghum etc which gradually expanded to include capital good equipment ranging from road construction machinery to small scale plant and machinery, from coffee to spices, import and export of both raw sugar and refined sugar, import of PVC and other commodities such as yellow peas.

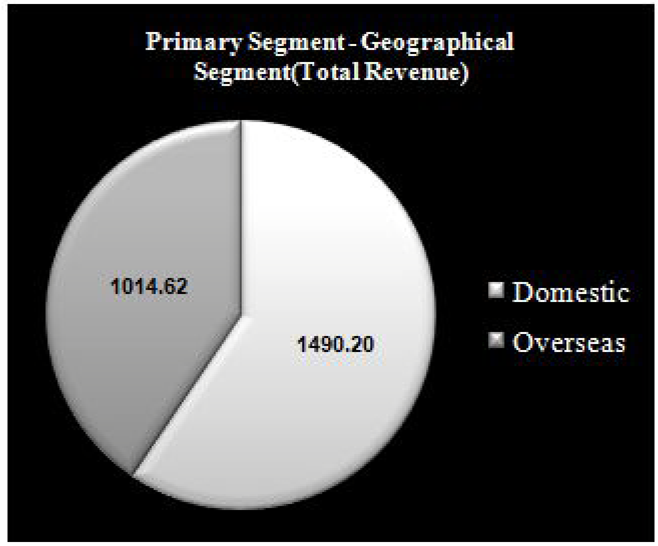
Our total income was Rs. 2216.25 Million for the year ending March 31, 2008, Rs. 2356.28 Million for the year ending March 31, 2009, and Rs. 3901.09 Million for the year ending June 30, 2010. Profit before tax was Rs. 31.50 Million for the year ending March 31, 2008, Rs. 35.17 Million for the year ending March 31, 2009, and Rs. 54.84 Million for the year ending June 30, 2010. Profit after tax was Rs. 20.07 Million for the year ending March 31, 2008, Rs. 21.01 Million for the year ending March 31, 2009 and Rs. 35.70 Million for the year ending June 30, 2010.



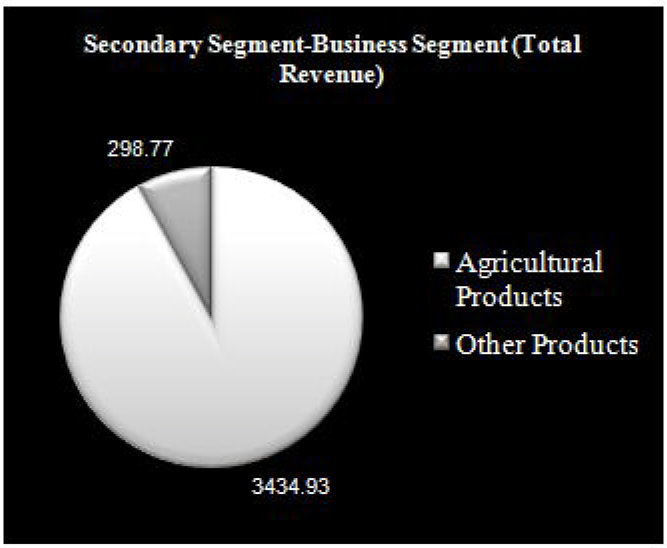
Segment Reporting



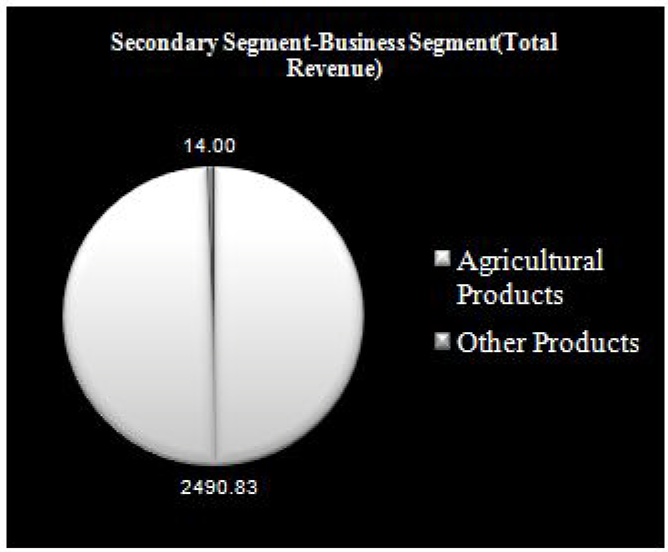
Fiscal 2010-Amount In Rs.Million



Fiscal 2009-Amount In Rs. Million



Fiscal 2010-Amount In Rs. Million



Fiscal 2009-Amount In Rs. Million

Segment Reporting

a. **Geographical Segment**

The Company has considered Geographical Segment as the primary segment for disclosure. The Segments considered are Domestic and Overseas.

b. Business Segment

The Company has considered business segment as secondary segment for disclosure. Company has identified two segments agriculture product and other products as business segments for reporting and disclosure purpose as per the accounting standard 17.

a. Geographical Segment

In the Geographical Segment, the total revenue from Domestic fragment i.e. the Income from External Customers is Rs. 2795.69 Million in the Year 2009-10 and Rs. 1490.21 Million in the year 2008-09. The total revenue from Overseas fragment i.e. the Income from External Customers is Rs. 935.46 Million in the Year 2009-10 and Rs. 972.36 Million in the Year 2008-09 and other Income is Rs. 2.55 Million for the Year 2009-10 and Rs. 42.27 Million in the Year 2008-09. Further, there are some Unallocated Income i.e. Rs. 18.06 Million for the Year 2009-10 and Rs. 1.59 Million for the Year 2008-09.

b. Business Segment

In the Business Segment, the Revenue from External Customer from the Agriculture Products is Rs. 3434.94 Million for the Year 2009-10 and Rs. 2490.83 Million for the Year 2008-09 and from Other Products is Rs. 298.77 Million for the Year 2009-10 and Rs. 14.00 Million for the Year 2008-09.

Industry Structure and Developments

The domino effect of the global recessionary trends which was triggered in the Financial Year 2008-2009, was felt well impacted in its full landslide form into Financial Year 2009-2010 and the gaps created in the fall in exports had a major trundling effect.

The Financial Year 2009-2010 had a significant rise in its gross turn over to Rs. 3901.08 Million as compared to Rs. 2356.27 Million of Financial Year 2008-2009, i.e a overall growth of more than 50%, meaning thereby the significant shift in the management style, focus and paradigm, we saw ourselves dealing successfully in internal (domestic) physical trading of agri commodities, import of PVC based products and imports of sugar.

The shift in our operations could only be attributed, to the visionary capability of our top management and core competence of our extremely well coordinated team work of our workforce. The adaptability to change, the vision to survive and the will to struggle, has really pulled us out from going into the dismal spiral downtrend, and truly we have proved the age old adage that only the fittest can survive.

With this renewed vitality we look forward to forge ahead no matter what future hindrances or dark economic clouds may have in the offing, with the sheer faith in saying: “never say die”.

Opportunities and Threats

Company has been trying to establish itself globally as supplier of quality products & striving hard to achieve International Standards for the same. Also in view of the competitive scenario, the Company has taken various steps to meet challenges & to capitalize on budding opportunities available.

Company’s overall strategy is to enhance shareholders’ value by receiving better returns through long term investments.

The Company is fully aware of the factors dictating competition & therefore to exist in the Competitive market & to improve the value of its Shareholders, Company is consistently considering all the significant factors, which provide sharp edges that enable the company to enhance the margin.

Outlook

As significant part of company’s earning is realized from exports, outlook depends upon the global economic scenario, global demand & supply and International product prices. Above all, the performance of the Company largely depends on the EXIM policy of the Union Government.

Risks and Concerns

Although the Company does not perceive any serious threat, still Company is taking care against risk of growing pressures of prices, Foreign Exchange Rates variation, current & future litigation, Working Capital Management, bad debts etc.

As a overall risk management strategy, Company follows such practices & policies to counter the risk in advance.

Internal Control System and Their Adequacy

The Company has in place adequate systems of internal control commensurate with its size and nature of its business. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

The Company has an Audit Committee constituted in accordance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered into with the Stock Exchange. The Committee meets the Company’s statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time.

Significant Accounting Policies

Preparation of financial statements in accordance with Indian GAAP, the applicable accounting standards issued by the Institute of Chartered Accountants of India (“ICAI”) and the relevant provisions of the Companies Act require our management to make judgments, estimates and assumptions regarding uncertainties that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenues and expenses. These judgments, assumptions and estimates are reflected in our accounting policies, which are more fully described in the notes to our financial statements included in this Placement Document.

Certain of our accounting policies are particularly important to the portrayal of our financial position and results of operations and require the application of significant assumptions and estimates of our management. We refer to these accounting policies as our "Significant Accounting Policies." Our management uses our historical experience and analysis, the terms of existing contracts, historical cost convention, industry trends, information provided by our agents and information available from other outside sources, as appropriate, when forming our assumptions and estimates. However, this task is inexact because our management is making assumptions and providing estimates on matters that are inherently uncertain.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following significant accounting policies warrant additional attention:

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In case of outright sales, the revenue is recognised on dispatch of goods to customers which is incidental to transfer of significant risks and rewards of ownership, Sales are stated net of discounts, rebates and returns.
Export sales are recognised on the basis of bill of lading dates and are accounted for at exchange rates as specified in the bill of lading documents. Export incentives have been accounted for on accrual basis.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation

Depreciation on fixed assets is provided on straight line method based at the rates specified in Schedule XIV to the Companies Act, 1956 or the rates determined as per the useful lives of the respective assets, whichever is higher. Individual assets costing to less than Rs.5000/- are depreciated at the rate of 100%.

Foreign Currency Transactions

i. **Initial Recognition**
   Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. **Conversion**
   Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

Taxes on Income

Income tax expense comprises current tax as per Income Tax Act, 1961, fringe benefit tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain, as the case may be, to be realized.

Cautionary Statement

Certain statements made in the “Management’s Discussion and Analysis of Financial Condition” describing the Company’s objectives estimates and expectations may be ‘forward looking statements’ within the meaning of applicable laws and regulations. Actual results may differ from such estimates and projections etc, whether expressed or implied. Several factors could make a significant difference to the Company’s operations. These include economic conditions, Government regulations and Tax Laws, Political situation, natural calamities etc. over which the Company does not have any direct control.

RESULTS OF OPERATIONS

Income

Our total income has broadly three components:

- Sales
- Export Incentive
- Other Income

The following table sets out the contribution of each of these components of income expressed as a percentage of our total income for fiscal years 2008, 2009 and 2010.

Particulars	For the year ended March 31, 2008	For the year ended March 31, 2009	For the year ended June 30, 2010
Income			
Sales	99.61%	98.25%	99.45%
Export Incentives	0.29%	1.69%	0.07%
Other Income	0.10%	0.06%	0.48%
Total Income	**100%**	**100%**	**100%**

- **Sales**

Sales constitute the major portion of or approximately the total Company's Income. For instance, for the fiscal year 2008, sales constitute 99.61% of the Company's total Income whereas for the Fiscal Year 2009 and 2010, it constitute 98.25% and 99.45% respectively. It basically comprises of the income from the sale of agri commodity domestically and internationally.

- **Export Incentives**

Income from Export Incentives basically comprises of the Income from duty draw back received, DEPB Income, FMS Income, FPS Income, Focus Market Incentive Income and VKGUY Income. Income from Export Incentives constitutes a minor portion of the Company total Income i.e. 0.29%, 1.69% and 0.07% for the Fiscal Year 2008, 2009 and 2010 respectively.

- **Other Income**

It comprises the income from Despatch & Dummerage, Discount on purchase, Dividend Income, Exchange Gain/Loss, Interest Income, Profit on sale of subsidiary, Quality claim against sales and Sundry Balances w/off. Its contribution to total income is also minor i.e. 0.10%, 0.06% and 0.48% for the Fiscal Year 2008, 2009 and 2010 respectively.

Expenditure

Our Expenditure comprises of eight components:

- Purchases

- Personnel Expenses
- Direct Expenses
- Administrative Expenses
- Selling & Distribution Expenses
- Financial Expenses
- Exchange Loss
- Depreciation

The following table sets out the contribution of each of these components of expenditure expressed as a percentage of our total income for fiscal years 2008, 2009 and 2010.

Particulars	**For the year ended March 31, 2008**	**For the year ended March 31, 2009**	**For the year ended June 30, 2010**
Expenditure			
Purchases	96.45%	91.43%	96.46%
Personnel Expenses	0.15%	0.21%	0.15%
Direct Expenses	0.36%	0.14%	0.24%
Administrative Expenses	1.70%	0.79%	0.58%
Selling & Distribution Expenses	0.33%	5.86%	0.67%
Financial Expenses	0.99%	1.25%	1.72%
Exchange Loss	0.01%	0.22%	0.00%
Depreciation	0.01%	0.10%	0.17%
Total Expenditure	**100.00%**	**100.00%**	**100.00%**

Purchases

As the Company is into the trading of agri commodities, accordingly, the purchases constitute the significant portion of the Company total expenditure. For instance, for the Fiscal Year 2008, purchases constitute 96.45% of the Company's total Income whereas for the Fiscal Year 2009 and 2010, it constitute 91.43% and 96.46% respectively.

Personnel Expenses

Personnel expenses comprises of salaries and allowances, directors remuneration, staff welfare, gratuity and leave encashment.

Direct Expenses

Direct Expenses consist of Demurrage and Detention, Brokerage & Commission, Freight (Railway), Labour Loading Charges, Packing Material and Clearing & Forwarding-Import.

Administrative Expenses

It basically comprises of Auditor's Remuneration, Business Promotion, Composition of Tax, Demand and Penalty, Donations, Electricity Charges, Insurance, Legal & Professionals Charges, Postage & Courier and similar other expense.

Selling & Distribution Expenses

It consists of Clearing & Forwarding, Brokerage & Commission, Overseas Freight and Rebate & Discount.

Financial Expenses

Financial Expenses comprises of Interest and Bank Charges.

Liquidity and Capital Resources

Current Assets, Loans and Advances

Current assets, loans and advances consist of inventories, sundry debtors, cash and bank balances and loans and advances. Total current assets, loans and advances as of June 30, 2010, March 31, 2009 and March 31, 2008 were Rs. 1333.64 Million, Rs. 830 Million and Rs. 386.49 Million respectively.

Sundry debtors or receivables from customers, as of March 31, 2008, March 31, 2009 and June 30, 2010 were Rs. 60.13 Million, Rs. 587.76 Million and Rs. 685.76 Million respectively. Sundry debtors increased due to the increase in the sales volume for our products and services businesses. As the number of our customers has increased over the last three years, there has been a corresponding increase in the amount of bills receivable.

Current Liabilities and Provisions

Current liabilities consist of Sundry Creditors, total outstanding dues of creditors other than small scale Industrial undertakings, Advances from customers and other liabilities. Provisions consist of provisions of Income Tax, wealth tax, fringe benefits tax, gratuity and leave encashment.

Net Cash Flows

The table below summarizes our cash flows under Indian GAAP for fiscal 2008, 2009 and 2010.

Particular	**March 31, 2008 (Rs. In Millions)**	**March 31, 2009 (Rs. In Millions)**	**June 30, 2010 (Rs. In Millions)**
Net Cash inflow/ (outflow) in course of operational activities	(228.31)	89.07	(192.85)
Net Cash flow arising from investment activities	(12.67)	(13)	(16.83)
Net Cash flow arising from financing activities	243.42	(36.88)	389.39
Net increase/ (decrease) in cash/ cash equivalents	**2.44**	**39.19**	**179.70**

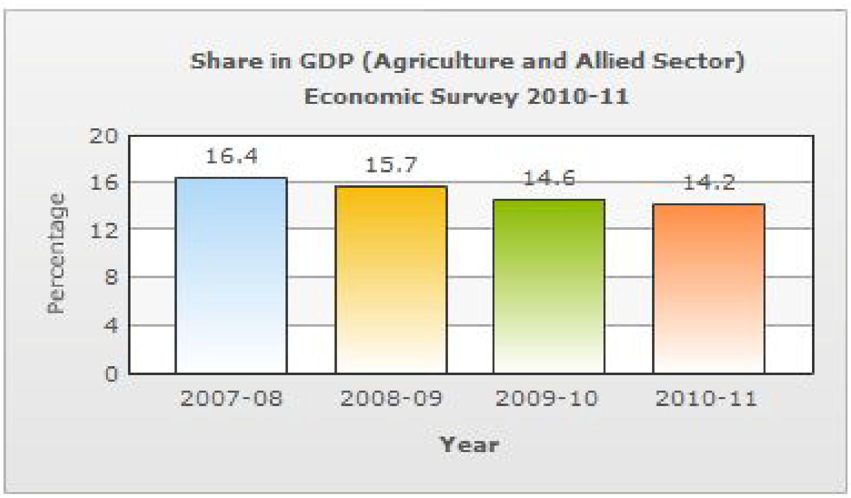
INDUSTRY OVERVIEW

The information in this section is derived from various government publications, industry sources and other public sources. Neither the Company and Bookrunner nor any other persons connected with the Issue have verified this information or makes any representation to the accuracy of this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.

Overview[1]

During 2008-09 the agricultural sector contributed to approximately 15.7 per cent of India's GDP (at 2004-05 prices) and 10.23 per cent (provisional) of total exports besides providing employment to around 58.2 per cent of the work force.

During 2009-10, agricultural sector contributed to approximately **14.6 per cent of India's GDP** (at 2004-05 prices). **The share of Agriculture and Allied Sectors in GDP is estimated to be 14.2% in 2010-11**. This is evident from the following chart:



[1]Economic Survey 2010-11, http://indiabudget.nic.in

The above chart shows the share of Agriculture and Allied Sectors which include Forestry and Fishing. The share of Only Agriculture is has been 13.9% in 2009, 13.2% in 2008-09 and 12.3% in 2009-10. In 2009-10, the share of Agriculture, Forestry & Logging and Fishing is shown in the following chart:

The growth in share of agriculture in GDP as per the final figures of 2008-09 was -0.1%. It was 0.4% in 2009-10 and is estimated to be 5.4% in 2010-11.

- In terms of composition, out of a total share of 14.6 per cent of the GDP in 2009-10 for agriculture and allied sectors, agriculture alone accounted for 12.3 per cent followed by forestry and logging at 1.5 per cent and fisheries at 0.8 per cent.

- During the period 2004-05 to 2007-08, the GDP for agriculture and allied sectors had increased from Rs. 5,654,260 Millions to Rs. 6,550,800 Millions, at constant 2004-05 prices; thereafter it stagnated at this level for two years (2008-09 to 2009-10). In 2009-10, it accounted for 14.6 per cent of the GDP compared to 15.7 per cent in 2008-09 and 19.0 per cent in 2004-05. Its share in GDP has thus declined rapidly in the recent past.

- The Economic Survey 2010-11 says that the overall GDP has grown by an average of 8.62 per cent during 2004-05 to 2010-11, agricultural sector GDP has increased by only 3.46 per cent during the same period. The role of the agriculture sector, however, remains critical as it accounts for about 58 per cent of employment in the country (as per 2001 census).

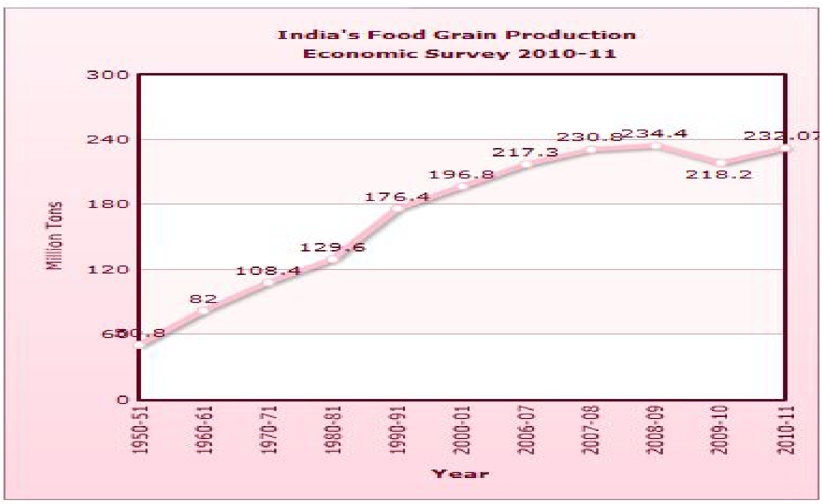
- Moreover, this sector is a supplier of food, fodder, and raw materials for a vast segment of industry. Hence the growth of Indian agriculture can be considered a necessary condition for ‘inclusive growth’. More recently, the rural sector (including agriculture) is being seen as a potential source of domestic demand, a recognition that is even shaping the marketing strategies of entrepreneurs wishing to widen the demand for goods and services.

Agriculture during the 11th Plan Period

During the first three years of the current Five Year Plan, the agriculture sector (including allied activities) recorded an average growth of 2.03 per cent against the Plan target of 4 per cent per annum. In the first year, 2007-08, of the current Plan the agriculture sector had achieved an impressive growth of 5.8

per cent. However, this high growth could not be maintained in the following two years and agriculture-sector growth fell into the negative zone of - 0.1 per cent in 2008-09, although this was a year of a record 234.47 million tonnes food production. The decline in growth of agricultural GDP was primarily due to the fall in the production of agricultural crops such as oilseeds, cotton, jute and mesta, and sugarcane. In 2009-10, despite experiencing the worst south-west monsoon since 1972 and subsequent significant fall in kharif foodgrain production, the growth marginally recovered to 0.4 per cent primarily due to a good rabi crop. Several advance measures taken by the government to salvage the rabi crop had the desired effect of checking the impact of the drought situation on the rabi crop. Things are looking bright in the current year with a relatively good monsoon and the agriculture-sector is expected to grow at 5.4 per cent as per the 2010-11 advance estimates. The agriculture sector growth in the first four years of the Plan is estimated at 2.87 per cent. In order to achieve the Plan target of average 4 per cent per year, the agriculture sector needs to grow at 8.5 per cent during 2011-12.

India’s Food Grains Production



The above chart shows India's Food grain Production from 1950-51 till 2010-11. From 2005-06 to 2008-09, India's food grains production has registered a rising trend and touched a record level of 234.47 million tons in 2008-09. Food grains declined to 218.11 million tons during 2009-10 (final estimates). This was solely due to the long spells of one of the worst droughts in many years in various parts of the country in 2009. During this period, the productivity of almost all the crops suffered considerably.

The Economic Survey makes an important note that food and nutritional security of India currently depends to a great extent on the production of wheat and rice. These two crops together constituted 78 per cent of total food grains production in 2009-10, whereas coarse cereals constitute only 15 per cent in the same year.

Export and Import of Agricultural Items

The export and import of the agricultural items depends upon the domestic availability. The Government of India has been allowing the exports and imports of food items especially wheat, rice, and pulses. The domino effect of the global recessionary trends which was triggered in the financial year 2008-09, was felt well impacted in its full landslide form into Financial Year 2009-10 and the gaps created in the fall in exports had a major trundling effect.

1. The import duty on Wheat was reduced to zero from September 9, 2006 to augment its supply.
2. Government has prohibited the export of Wheat from October 8, 2007 onwards.
3. The import duty on semi-milled or wholly milled rice was also reduced to nil from 20 March 2008 to augment its supply.
4. Export of Basmati rice is permitted. Export of non-basmati rice has been prohibited since October 15, 2007 except for a quantity of 10,000 tonnes per annum of organic non-basmati rice permitted since December 7, 2009.
5. However, export of non-basmati rice is permitted on diplomatic/humanitarian considerations such as flood and droughts in other countries.
6. Export of basmati rice is permitted with a minimum export price (MEP) of US $ 900 per ton or Rs. 41, 400 per ton.
7. Government has reduced the import duty on pulses to nil from 8 June 2006 to augment their supply.
8. Export of pulses except kabuli chana (chickpeas) has been prohibited with effect from April 1, 2008.

Rice

According to the Food and Agriculture Organization of the United Nations, India is the second largest producer of rice after China based on production in 2007. The rice industry in India is broadly divided into two segments - basmati (drier and long grained) and non-basmati (sticky and short grained). Basmati rice is a premium variety of rice renowned for its flavour, fine texture, distinct aroma, elongation when cooked and can be grown only in certain parts of India and Pakistan. The non-basmati market in India is largely unbranded and dominated by unorganized/regional producers.
According to APEDA[2], Indian exports of basmati rice increased from Rs. 27,928 million in 2006-2007 to Rs. 43,445 million in 2007-2008 and from 1.05 million metric tonnes in 2006-2007 to 1.18 million metric tonnes in 2007-2008. The largest export market for Indian basmati rice has traditionally been the Middle East with a 80.5% share of India's exports in 2007-08, representing exports of approximately 0.95 million metric tonnes according to APEDA. The United Kingdom and the United States accounted for approximately 9.1%, while the rest or the world accounted for the remaining 10.5% of India's exports during the same period, representing approximately 0.1 million metric tonnes and 0.12 million metric tonnes, respectively, according to APEDA.

Basmati Rice

Basmati rice is premium long-grain rice with a fine texture and is the most expensive variety of generally available rice in the world. Its high value stems from its unique qualities, such as a strong aroma in both raw and cooked states. The word basmati means the "queen of fragrance" or the "perfumed one." Its perfumed, nut-like flavour and aroma can be attributed to the ageing of the grain to decrease its moisture content. On cooking, the grain elongates, and the cooked grain has a characteristic shape and consistency. Basmati rice is available as both white and brown rice. The fragrance, cooking qualities and consequently, the value of basmati rice are enhanced with maturing. For basmati rice to be marketable, the product needs to be matured for18-24 months.

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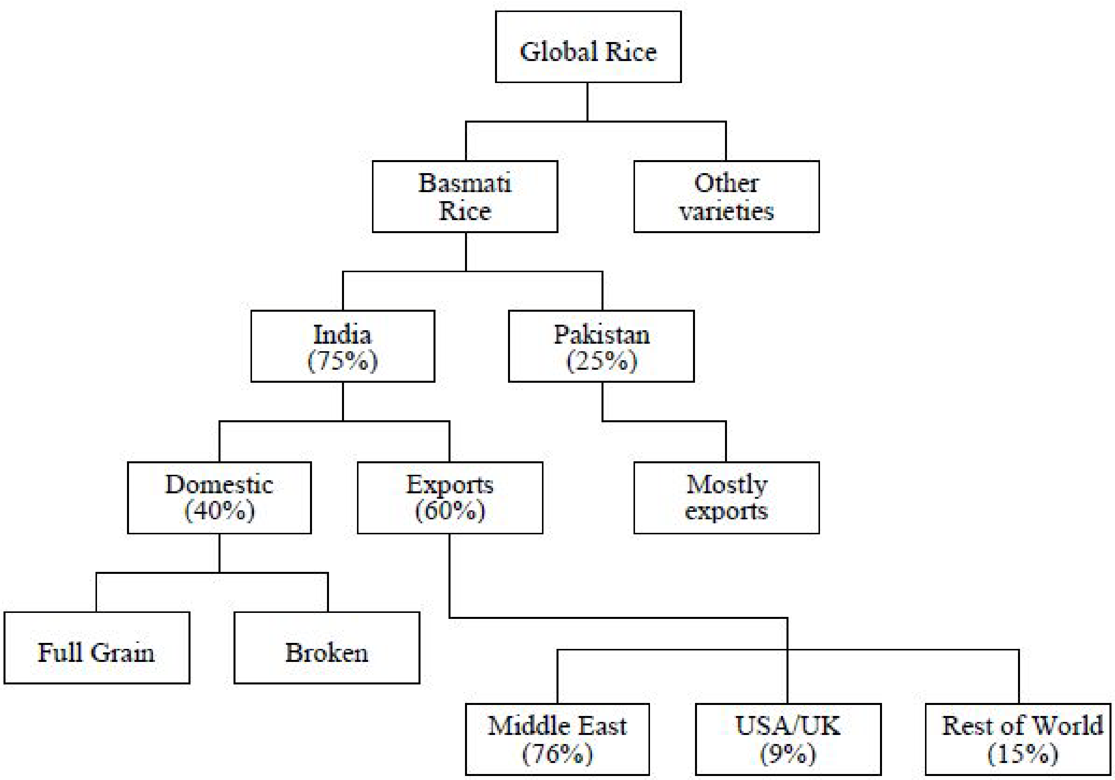
[2]**http://agriexchange.apeda.gov.in/**

Basmati is the customary name for certain varieties of rice with these unique properties that are grown exclusively in certain parts of India and Pakistan. Basmati is cultivated in the foothills of Himalayas, the northern part of Western Punjab (on both sides of the Indian and Pakistan border), Haryana, Western Uttar Pradesh, and Uttarakhand. Basmati‘s unique taste and texture is attributed to the soil and climate of this region. The following table sets forth the basmati rice cultivating districts of India:

Haryana and Punjab	Amritsar, Fatehgarh, Gurudaspur, Hoshiarpur, Jalandhar, Kaithal, Karnal, Kurukshetra, Panipat, Patiala, Rupnagar and Sangrur
Himachal Pradesh	Kangra, Mandi, Sirmour, Solan and Una
Uttar Pradesh	Bareilly, Bijnor, Jyotibaphule Nagar, Moradabad, Muzaffarnagar, Pilibhit, Rampur, Raebareli, Saharanpur and Sitapur
Uttaranchal	Dehradun, Haridwar and Udham Singh Nagar

Basmati responds well to the climatic conditions of these areas. The amount of water, the quality of the soil, the amount of daylight and the gentle winds that are characteristic of this region of Asia combine to produce good conditions for basmati rice to thrive.

While producers in India have managed to move up the value chain through improving quality and branding, the growth of the industry in Pakistan has been relatively muted. As a result, India remains the world's largest basmati rice supplier.



The following varieties of basmati rice have been approved by the Indian and Pakistani authorities and can use the description "basmati". They all have at least one parent that is a true-line basmati variety, and they have been approved on the basis of having the above unique properties as measured by various objective tests such as grain dimension, amylase content, cooking elongation and aroma.

Climatic Factors Affecting Basmati Rice Cultivation in India

Rainfall

Rainfall is the most important weather element for successful cultivation of rice. However, there are two factors that reduce the dependence of basmati rice on rainfall. Firstly, basmati rice, unlike other rice crops, does not require large quantities of water and requires only sprinkling water and not standing water. Secondly, basmati rice is grown in Haryana, Punjab, Uttarakhand and Western Uttar Pradesh. Farmers in these areas have relatively larger holdings and most farms are well irrigated. Therefore the cultivation of basmati rice is not as dependent on rainfall as non-basmati rice.

Temperature

Temperature is another climatic factor that influences the development, growth and yield of rice. Rice, being a tropical and sub-tropical plant, requires fairly high temperatures ranging from 20°C to 40°C. The optimum temperature of 30°C during the day and 20°C during night seems to favour the development and growth of rice crop.

Domestic Market for Rice

The perception of basmati rice as a premium product and the fact that customers are extremely sensitive to quality have created an opportunity for branding. Also, the structural changes in the market are partly responsible for the emergence of brands. Major producers in the branded segment traditionally exported basmati under private labels (unbranded sales). However, these companies were forced to change their strategy in the mid-nineties when buyers started procuring rice from smaller producers. To reduce margin erosion, more established producers began serious efforts towards branding. However, so as not to alienate their existing clients, the branding effort first took place in the domestic market. Once the brands were established in the domestic market, Indian producers gradually started introducing their brands to the export markets.

Basmati being a premier product in terms of pricing, its consumption remains at a low level and generally consumed on special occasions. However, with a growing consumer class and increasing disposable incomes, demand for premium products is on the rise.

The Export Market[2]

A majority of basmati rice produced in India is exported. According to APEDA, Indian exports of basmati rice increased from Rs. 27,928 million in 2006-2007 to Rs. 43,445 million in 2007-2008 and from 1.05 million metric tonnes in 2006-2007 to 1.18 million metric tonnes in 2007-2008. Consequently in the years 2008-09 and 2009-10 basmati rice of worth Rs. 94770 million and Rs. 1,08,891 million respectively were exported.

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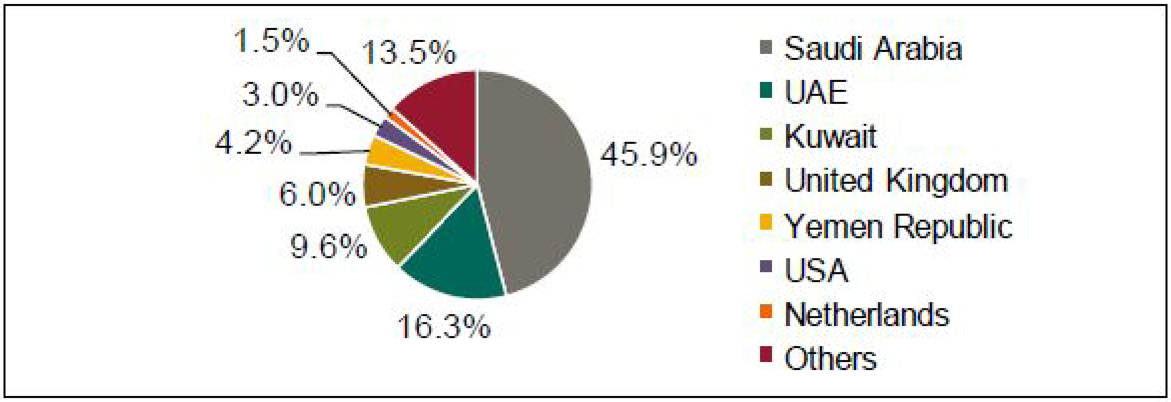
[2]http://agriexchange.apeda.gov.in/

The largest export market for Indian basmati rice has traditionally been the Middle East with a 80.5% share of India's exports in 2007-08, representing exports of approximately 0.95 million metric tonnes according to APEDA. The United Kingdom and the United States accounted for approximately 9.1%, while the rest or the world accounted for the remaining 10.5% of India's exports during the same period, representing approximately 0.1 million metric tonnes and 0.12 million metric tonnes, respectively, according to APEDA.

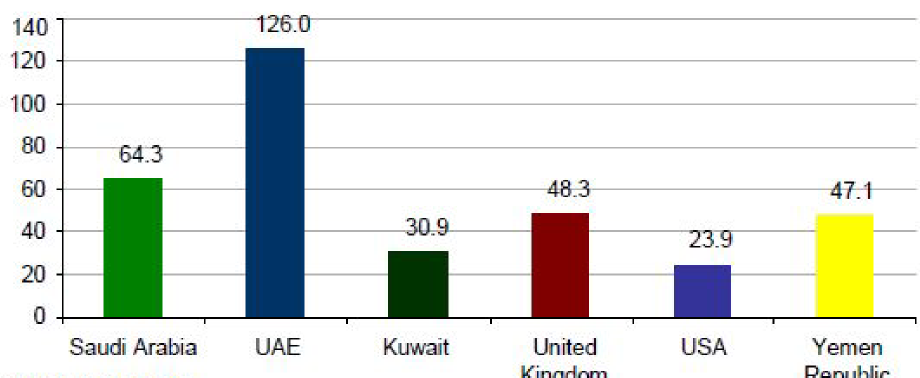
Within the Middle East, Saudi Arabia accounts for a major part of basmati imports from India. Pakistan is the major competitor for India in the international market for basmati rice. Other markets for Indian basmati rice exports include the United Arab Emirates, Kuwait, Austria, Belgium, Bahrain, France, Germany, Denmark, Canada, Italy, Oman, Yemen, Netherlands, Jordan and Indonesia.

The below chart shows a break-up of the total quantity of basmati rice exported from India in 2007-2008.



Source: APEDA

A large portion of basmati exports is unbranded, which leads to lower export prices. However, with more Indian producers opting to export under their own brands, the Company expects overall prices to increase. Thus, the opportunity from this market is not only from volume-based growth but also from taking market share away from existing unorganized players through the creation of strong brands. The below chart shows the percentage of growth in the value of exports to India's top six export countries from 2006 to 2008 for basmati rice.



Source: APEDA

Indian exports of basmati rice are expected to continue to rise due to recognition of premium quality, increased branding, and better marketing along with greater access to all the markets for agricultural products.

Industry Development & Trends

The basmati rice industry in India has been traditionally dominated by small millers. However, the unique nature of the rice has attracted many large corporates. Ageing requires significant working capital. The large processors generally enjoy greater access to working capital. Over the last few years, the basmati rice industry in India has witnessed a shift towards an organized structure for the following reasons:

- **Technology:** Organized players have access to production technology, which smaller players cannot afford.
- **Scale:** Larger players have the requisite economies of scale to reduce per unit production costs.
- **Standardization:** Unorganised millers use traditional methods, which cannot ensure grading (based on size) and sorting (based on colour) of the rice required for consistent product quality.
- **Pre-ageing ability:** Small processors do not have the resources to age and mature basmati rice.
- **Procurement capabilities:** Basmati quality and branding require strong procurement capabilities to procure paddy from mandis.

The international market consumption of basmati rice is increasing owing to rise in demand from present countries, such as Saudi Arabia, the United Arab Emirates, Kuwait, the United Kingdom, the United States and the Yemen Republic, and the entry of new countries. At the same time, the domestic demand is also on the rise due to a spurt in the mall culture and growth of hotels and restaurants. This will affect the suppliers of basmati rice directly through sales of branded products or indirectly through private sales. The widening gap of demand and supply is expected to create room for an increase in the premium to be commanded. As a result of the limited supply and an increasing demand for this product, it is likely that the companies in this section may benefit in the long run.

Coffee[3]

India ranks sixth in coffee production after Brazil, Vietnam, Columbia, Indonesia, and Ethiopia. It produces both Arabica and Robusta varieties of coffee in a proportion of 33:67. Coffee is cultivated in about 3.99 lakh ha mainly confined to the southern States of Karnataka, Kerala, and Tamil Nadu, which form the traditional coffee tracts. To a lesser extent, coffee is also grown in non-traditional areas like Andhra Pradesh, Orissa, and the north-eastern States, the main emphasis being tribal development and a forestation. Coffee is predominantly an export oriented commodity in India with 65 to 70 per cent of the production being exported, thereby earning considerable foreign exchange. For the past five to six years, the productivity in India has been around 800 kg/ha. The production of coffee stood at 2,89,600 MT in 2009-10. For the year 2010-11, the post monsoon crop estimate is placed at 2,99,000 MT.

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[3]**Economic Survey 2010-11, http://indiabudget.nic.in/index.asp**

According to DGCIS Annual Export, the Export of Coffee has been increased from Rs. 1,86,80.15 Millions in the year 2007-08 to Rs. 2,25,57.58 Millions in 2008-09 and then decreased to Rs. 2,03,30.01 Millions in 2009-10. The quantity exported decreased from 1,78,124.96 metric tonnes in 2007-2008 to 1,74,176.63 metric tonnes in 2008-09 and then increased to 1,77,234.14 metric tonnes in 2009-10.

Tea[3]

India is the largest producer and consumer of black tea in the world. Tea is grown in 16 States in India. Assam, West Bengal, Tamil Nadu and Kerala account for about 96 per cent of the total production. The teas originating from Darjeeling, Assam, and the Nilgiris are well known for their distinctive flavours the world over. Tea production in India during the year 2009-10 has been estimated at 991.18 million kg against 972.77 million kg achieved in 2008-09.

According to DGCIS Annual Export, the export of Tea has increased from Rs. 2,02,23.18 Millions in 2007-08 to Rs. 2,68,76.27 Millions in 2008-09 and to Rs. 2,94,32.73 Millions in 2009-10. The quantity of tea exported has also increased from 1,98,547.56 metric tonnes in 2007-2008 to 2,07,271.58 metric tonnes in 2008-09 and further to 2,08,549.19 metric tonnes in 2009-10. This shows the increasing demand of our product in the foreign market.

Sugar[3]

Sugar production in India is cyclic in nature. The 2006-07 and 2007-08 sugar seasons (October-September) were years of high production whereas the 2008-09 and 2009-10 seasons were years of low production. The production of sugar in the 2008-09 and 2009-10 sugar seasons is estimated at about 146.7 lakh tonnes and 188 lakh tonnes compared to 282 lakh tonnes and 263 lakh tonnes in 2006-07 and 2007-08 respectively. The decline in sugar production in 2008-09 and 2009-10 put upward pressure on domestic sugar prices and the Central Government had to take a number of measures to augment domestic stocks of sugar and contain sugar prices during this period such as allowing import of duty-free sugar, imposing stock-holding and turnover limits on sugar, bringing khandsari sugar under the ambit of stockholding and turnover limits and suspension of futures trading in sugar. The sugar production in 2010-11 is expected to be better at about 245 lakh tonnes, as per estimates given by Cane Commissioners.

The concept of ‘statuary minimum price’ has been replaced by that of ‘fair and remunerative price’ (FRP) for sugarcane to provide reasonable margin to sugarcane farmers on account of ‘risk’ and ‘profit’ and is to be uniformly applicable to all States. The amendments to the Sugarcane (Control) Order 1966, have come into force from October 22, 2009. For the 2010-11 sugar season, the Central Government has fixed an FRP of Rs.139.12 per quintal linked to a basic recovery rate of 9.5 per cent subject to a premium of Rs. 1.46 for every 0.1 percentage increase in recovery above that level.

According to DGCIS Annual Export, the export of Sugar was decreased from Rs. 5,40,41.74 Millions in 2007-08 to Rs. 4,44,87.43 Millions in 2008-09. However, in the year 2009-10, the export of sugar drastically falls to Rs. 11,02.31 Millions.

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[3]**Economic Survey 2010-11; http://indiabudget.nic.in/index.asp**

Bajra[4]

The production of Bajra in 2007-08 is 9.97 Million Tonnes with an yield of 1042 Kg./Hectare whereas in 2008-09, the production was 8.89 Million Tonnes with an yield of 1015 Kg./Hectare. Further, in accordance with the Fourth Advance Estimates as released on 19.07.2010, the production of Bajra is estimated to 6.50 Million Tonnes with a yield of 728. The production as well as yield is estimated to increase in 2010-11. In accordance with the First Advance Estimates as released on 23.09.2010, the production is estimated to 8.61 Million Tonnes with an yield of 991 Kg./Hectare for the year 2010-11.The increase or decrease in production as well as yield is to some extent is on account of increase or decrease in the cultivated area.

Maize[4]

The production of Maize in 2007-08 is 18.96 Million Tonnes with an yield of 2335 Kg./Hectare whereas in 2008-09, the production was 19.73 Million Tonnes with an yield of 2414 Kg./Hectare. Further, in accordance with the Fourth Advance Estimates as released on 19.07.2010, the production of Maize is estimated to 16.68 Million Tonnes with a yield of 2002.

The production as well as yield is estimated to decline in 2010-11. In accordance with the First Advance Estimates as released on 23.09.2010, the production is estimated to 14.06 Million Tonnes with an yield of 1959 Kg./Hectare for the year 2010-11. One of the causes for decline in production as well yield is on account of reduction in the cultivated area.

Soyabean[4]

The production of Soyabean in 2007-08 is 10.97 Million Tonnes with an yield of 1235 Kg./Hectare whereas in 2008-09, the production was 9.91 Million Tonnes with an yield of 1041 Kg./Hectare. Inspite of increase in production area in 2008-09 i.e. from 8.88 Million Hectares in 2007-08 to 9.51 Million Hectares in 2008-09, the level of production of Soyabean in 2008-09 had remained at a low level. Further, in accordance with the Fourth Advance Estimates as released on 19.07.2010, the production of Soyabean is estimated to 10.05 Million Tonnes with a yield of 1026. The production as well as yield is estimated to decline in 2010-11. In accordance with the First Advance Estimates as released on 23.09.2010, the production is estimated to 9.81 Million Tonnes with an yield of 1065Kg./Hectare for the year 2010-11. One of the causes for decline in production as well yield is on account of reduction in the production area.

Millet (Jowar) [4]

The **millets** are a group of small-seeded species of cereal crops or grains, widely grown around the world for food and fodder. Their essential similarities are that they are small-seeded grasses grown in difficult production environments such as those at risk of drought. Millets are major food sources in arid and semi-arid regions of the world, and feature in the traditional cuisine of many others.

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[4]Directorate of Economics and Statistics-Department of Agriculture, http://dacnet.nic.in/eands/

The production of Jowar in 2007-08 is 7.93 Million Tonnes with an yield of 1021 Kg./Hectare whereas in 2008-09, the production was 7.25 Million Tonnes with an yield of 962 Kg./Hectare. Further, in accordance with the Fourth Advance Estimates as released on 19.07.2010, the production of Jowar is estimated to 6.98 Million Tonnes with a yield of 911. The production as well as yield is estimated to decline in 2010-11. In accordance with the First Advance Estimates as released on 23.09.2010, the production is estimated to 3.22 Million Tonnes with an yield of 1071Kg./Hectare for the year 2010-11. One of the causes for decline in production as well yield is on account of reduction in the production area.

Lentil (Masur)[4]

The production of Masur in 2006-07 is 0.91 Million Tonnes with an yield of 621 Kg./Hectare whereas in 2007-08, the production was 0.81 Million Tonnes with an yield of 622 Kg./Hectare. The area under cultivation for Masur in the year 2006-07 and 2007-08 was 1.47 Million Hectares and 1.31 Million Hectares respectively. Further, in the year 2008-09, the production of Masur was 0.95 Million Tonnes with an yield of 693 Kg./ Hectare.

Rape Seed (Mustard)[4]

Rape seed is a major crop in India (Mustard). Rapeseed oil is an Edible Oil in India. Exports of all Edible Oils from India (including Rapeseed Oil) are banned.

It is the most favored vegetable oil in India for cooking, while in Europe it is used for the manufacture of Biodiesel and is in great demand there for BioDiesel. In Europe, rapeseed is primarily cultivated for animal feed (due to its very high lipidic and medium proteinic content), and for the production of oil for biodiesel.

The production of Rape Seed in 2007-08 is 5.83 Million Tonnes with an yield of 1001 Kg./Hectare whereas in 2008-09, the production was 7.20 Million Tonnes with an yield of 1143Kg./Hectare. Further, in accordance with the Fourth Advance Estimates as released on 19.07.2010, the production of Mustard is estimated to 6.41 Million Tonnes with a yield of 1159.

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[4]**Directorate of Economics and Statistics-Department of Agriculture, http://dacnet.nic.in/eands/**

BUSINESS

Incorporated on September 13, 1994, Financial Eyes (India) Limited was registered as Non Banking Finance Limited with Reserve Bank of India under Section 45IA of the Reserve Bank of India Act, 1934 vide certificate of registration dated August 14, 1998 bearing No. 14.01041. We came out with the IPO in May 1995 and our Equity Shares are currently listed on Bombay Stock Exchange Limited (BSE). On March 06, 2007, the Company had applied for deregistration as NBFC and vide letter dated July 25, 2007, RBI had cancelled the certificate.

The Company was originally promoted by Mr. Sanjay Kaul. Vide Share Purchase Agreement dated January 30, 2006 and Public Announcement made on February 03, 2006 in terms of Takeover Code, Ms. Abhilasha Agarwal had acquired the entire stake of the promoters along with management control of the Company.

The New Avtaar:

In the year 2007, the Company surrendered its certificate of registration as NBFC to RBI and, with an enthused dynamic professionally qualified management team, took the drastic paradigm shift by venturing into the new business of international trade in commodities.

The Company has set up a joint venture in Singapore namely FE Singapore PTE Ltd., in which the Company holds 51% stake, to capture the markets globally and scale up its growth keeping in mind the viability of new trades and ventures after a proper fact based studies and strong operational team selection.

Business Overview:

Immediately after the change in control, our Company venture into the business of International Trade and was engaged into the export of food agric commodities and food grains such as maize, Rice (both long rain and parboiled), sorghum etc. Gradually, the basket of commodities being dealt by the Company has been expanded to include capital good equipment ranging from road construction machinery to small scale plant and machinery, from coffee to spices, import and export of both raw sugar and refined sugar, import of PVC and other commodities such as yellow peas.

Basket of Commodities

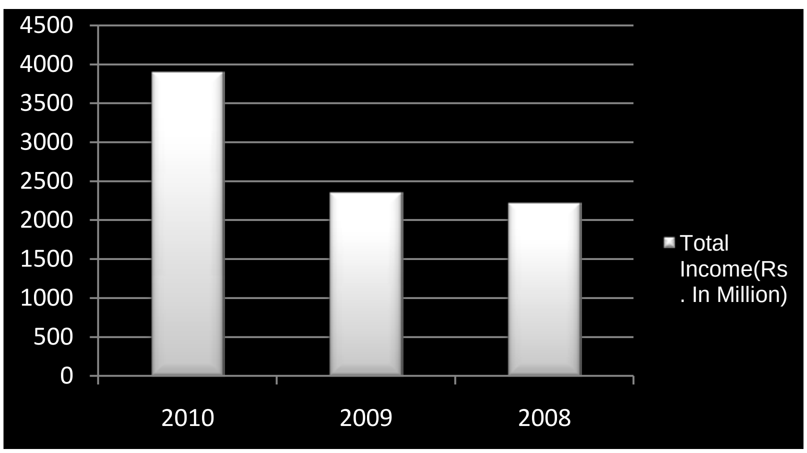
- Maize
- Bajra
- Sorghum
- Rice
- Millet
- Sorghum
- Lentils
- Raw Sugar both imports and Exports
- Refined Sugar both import and export
- Asphalt Plants
- Import of PVC related formulations and products.
- Coffee and Spices
- Indian Yellow Soya Bean Meal
- Rape Seed Meal

Our Major Buyers/Suppliers

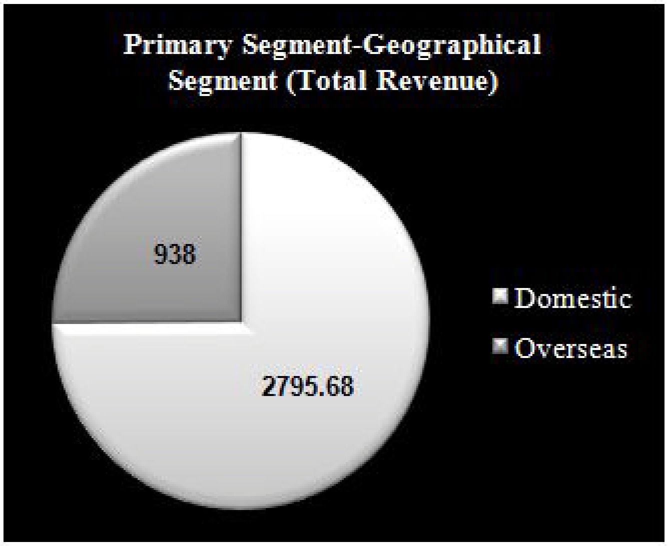
We have been associated with the following international names who have built the faith on us due to our committed performance:

- Concordia Agritrading Pte Ltd., Singapore
- Emirates Trading Agency, Dubai,
- NJ Debhai & Co, Syria
- ARASCO, Syria
- Sudima International Pte Ltd., Singapore
- Weetiong(S) Pte Ltd., Singapore
- Bunge Internatioal Ltd.
- Agrocorp , Singapore
- Vitol Sugar SA ,Switzerland
- Olam International, Singapore
- Vitol
- Eridania Suisse SA
- Scipio
- Government of Afghanistan
- Government of Nigeria
- Formosa Platics, Taiwan
- Peter Craemer (S) Gmbh
- Scipio S.A

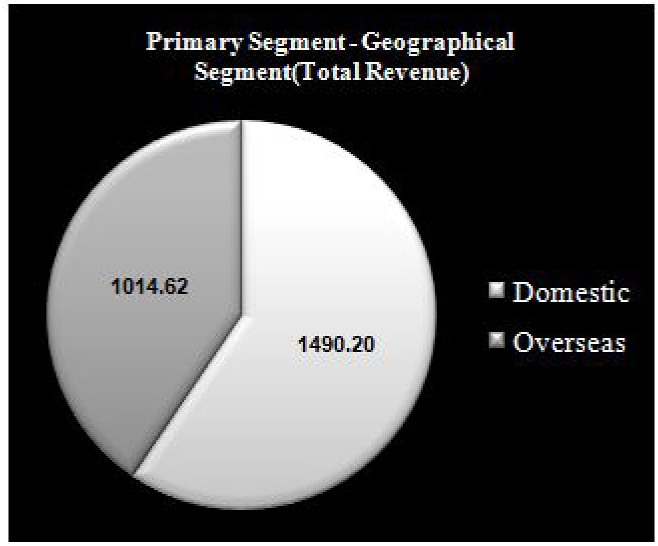
Our total income was Rs. 2216.25 Million for the year ending March 31, 2008, Rs. 2356.28 Million for the year ending March 31, 2009, and Rs. 3901.09 Million for the year ending June 30, 2010. Profit before tax was Rs. 31.50 Million for the year ending March 31, 2008, Rs. 35.17 Million for the year ending March 31, 2009, and Rs. 54.84 Million for the year ending June 30, 2010. Profit after tax was Rs. 20.07 Million for the year ending March 31, 2008, Rs. 21.01 Million for the year ending March 31, 2009 and Rs. 35.70 Million for the year ending June 30, 2010.



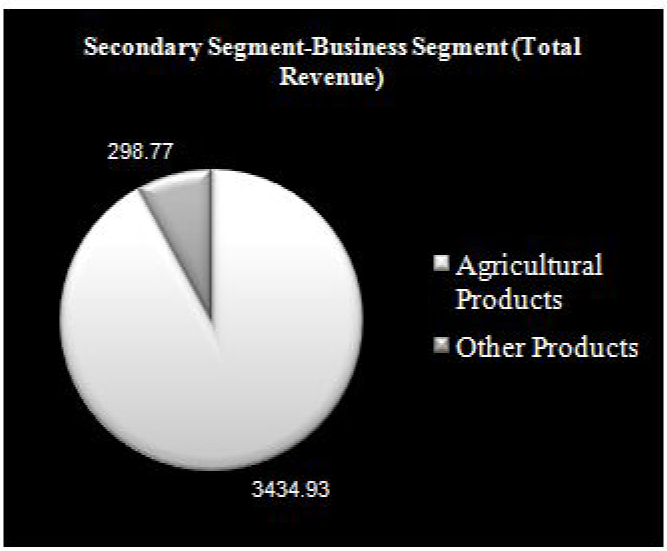
Segment Reporting



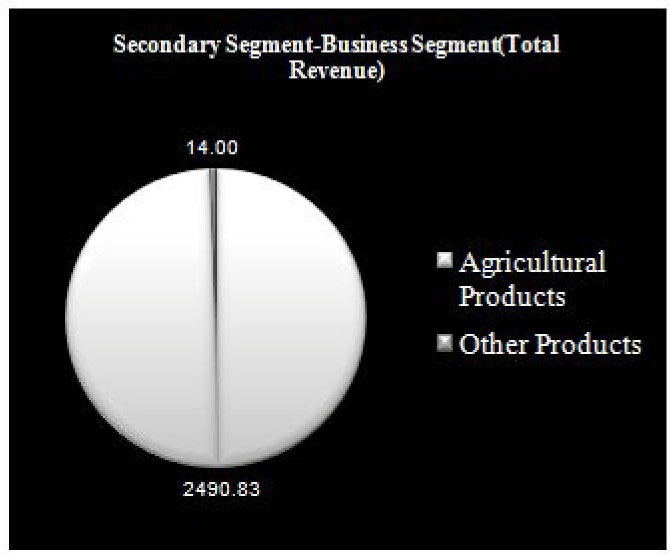
Fiscal 2010-Amount In Rs.Million



Fiscal 2009-Amount In Rs. Million



Fiscal 2010-Amount In Rs. Million



Fiscal 2009-Amount In Rs. Million

Our Competitive Strength

- **Synergistic Growth in Operations**

  We invest significant management resources towards ensuring that our businesses are integrated in an efficient and organized manner that enables us to maximize the synergies that exist amongst them and provide end-to-end services. We have developed ability to leverage our existing assets and to expand our product portfolio, geographical coverage and market presence to cater to increases in demand of our products.

- **Experienced Management Team**

  Our management team consists of individuals with significant experience and expertise in and has expanded our business in both scale and scope through various initiatives, such as increasing in-house processing capacity, increasing vertical integration, broadening distribution channels, expanding our product range and increasing sales in both the domestic and export markets.

- **Ability to raise finance and risk management**

  Due to our size and longstanding relationship with Banks and Financial Institutions, we have had regular access to funds which may not be available to the others players in the market. At present, we had sanctioned limits of Rs. 1400 Million obtained from Punjab National Bank. It helps us to effectively manage our business without any delay in payment to suppliers or other party.

- **Strong marketing & distribution network**

  Our ability to develop worldwide marketing contacts, networks and vendor identification has resulted in registering growth in sales & market share.

- **Ability to source quality products at competitive price**

  Cost, demand and competition are three key factors that determine final price. The final price should be competitive enough to enable the Company to compete in the market. Moreover, to be successful in international market, it is of immense importance that the Company should have the ability to source or manufacture products at cost that is better than your competitors as sourcing or production cost is one of the most crucial factors in determining export price.
  Due to our worldwide marketing contracts and strong association and long term relationships with the suppliers, we are able to source the products at competitive price which further helps us in creating an edge over others and expanding in the domestic as well as export market.

- **Expertise in areas of warehousing, shipping and insurance**

  The Company possesses in-house expertise in contracts, vessel chartering as well as logistics expertise in the areas of warehousing, shipping and insurance.

- **In depth knowledge of International laws**

  We possess a team of experienced personnel who have indepth knowledge of International Laws and procedural requirements relating to export and import of commodities which help us to ensure timely delivery of goods and fulfillment of commitment made to the clients.

- **Ability to gauge and predict demand and market trends**

  We have a strong analytical and research team which continuously worked on sales forecasting and determination of market trends that ultimately helps us to focus on a right direction and materialize our strength.

- **Facility Agreement with Global Trade Finance Limited**

  We have entered into Facility Agreement with Global Trade Finance Limited that provides the Domestic Factoring, Export Factoring and Import Factoring with Credit Protection and recourse.

BUSINESS STRATEGY

In order to survive in the competitive international markets, and to grow from strength to strength, we have built a business plan:

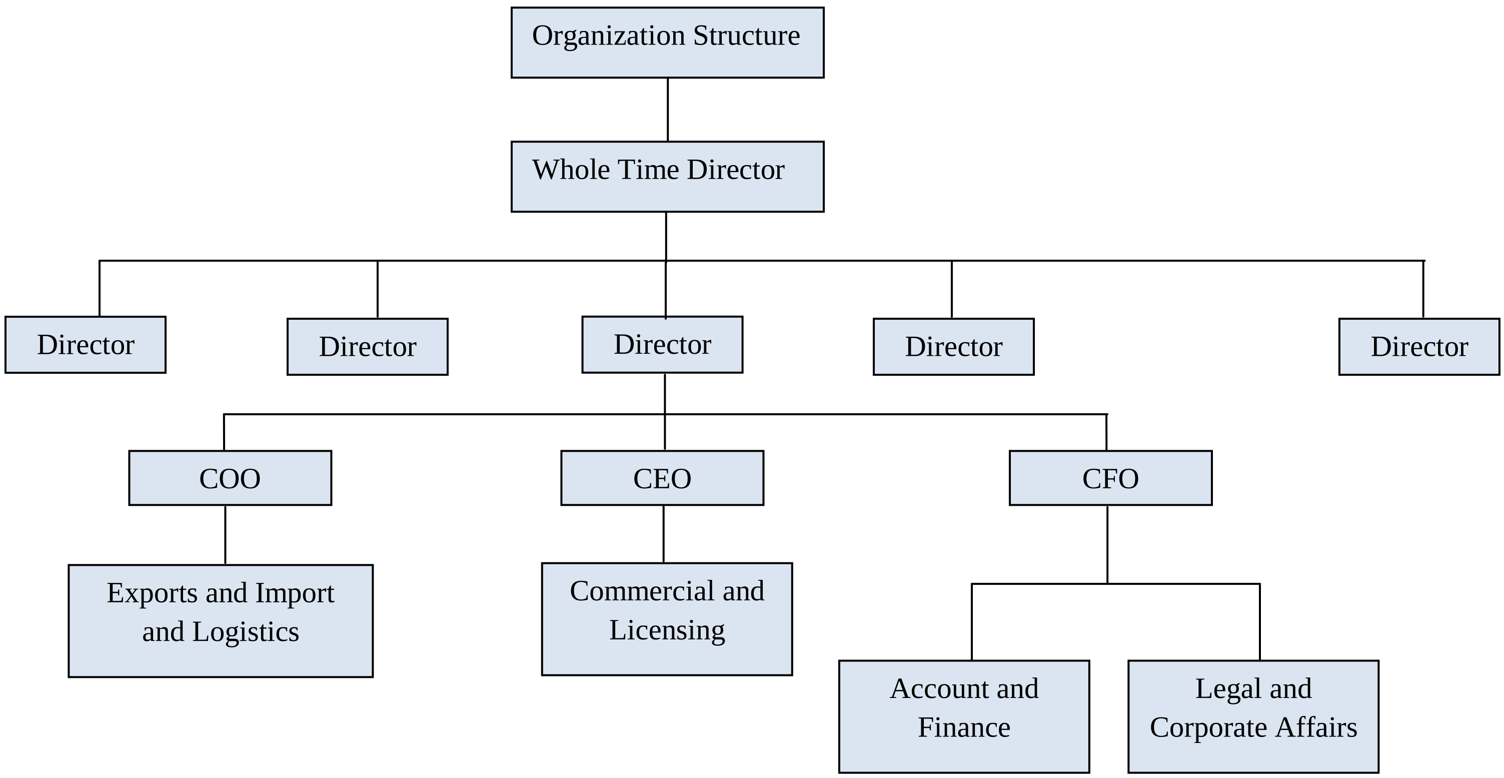
1. Developing a master International marketing plan before starting an export business by obtaining export counselling.
2. Obtaining sufficient commitment by the top management for exports which will determine export readiness.
3. Hiring a solid agent/buyer/supplier by way of effective/ substantial contracts.
4. Procurement of promising export order and avoid accidental exporting.
5. Ascertainment of country risk and securing export financing with full proof Documentations
6. Counselling on Intellectual Property Rights matters.
7. Assignment of well equipped team towards overseas marketing and advertising.
8. Ascertain the product preparation needs tactfully.
9. Ensuring the Legal competitiveness by working out on Licensing, Joint Venture and applicable rules and regulations.

Corporate Information

Our CIN is L74899DL1994PLC061447, and our registered office is located at F-58/1, Okhla Industrial Area, Phase – I, New Delhi, Delhi- 110020.

DIRECTORS AND SENIOR MANAGEMENT

Organization Structure



Board of Directors

As per the Article 91 of the Article of Association, the Directors of the Company shall not be less than three and not more than twelve inclusive of Nominee Director. The Company in its General Meeting can increase or reduce the number of Directors within the limits fixed by Article 91. The Articles provides that the Director of the Company shall not be required to hold any shares as his qualification. The Board shall have power to appoint any person as a Director as an addition to the Board and such Director shall hold office only until the next Annual General Meeting of the Company and be eligible for re-appointment. Our Articles of Association allow the Board of Directors to appoint an alternate director to act for a director during his absence for a period of not less than three months from the state in which Board meetings are ordinarily held.

Pursuant to the Companies Act, not less than two-thirds of the total number of our directors shall be persons whose period of office is subject to retirement by rotation and one-third of such directors, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office at every Annual General Meeting. The directors to retire are those who have longest held their office since their last appointment. A retiring director is eligible for re-election.

The following table sets forth details regarding the Board of Directors as at the date of this Placement Document.

Name, DIN, Designation, Term and Address	Age	Designation	Other Directorships
Mrs. Abhilasha Agarwal **DIN:** 01854288 **Date of Appointment:** September 29, 2007 **Address**: S-474, Greater Kailash Part-2, New Delhi, 110048 **Nationality:** Indian	37 Years	Whole Time Director	1. M/s Placid Marketing Private Limited 2. M/s Andaz Mercantile Private Limited
Mr. Mukesh Jain **DIN:** 00059649 **Date of Appointment:** September 29, 2006 **Address**: 162-B Western Avenue, Sainik Farms, New Delhi, 110062 **Nationality:** Indian	42 Years	Director	M/s Muren Impex Pvt. Ltd.
Mr. Vishal Bakshi **DIN:** 00610253 **Date of Appointment:** September 29, 2006 **Address**: C-150 , Sector -44, Near Amity International School, Noida- 201301, Uttar Pradesh **Nationality:** Indian	41 Years	Director	M/s Saba Corporate Services Pvt. Ltd.
Mr. Ashish Todi **DIN:** 00029214 **Date of Appointment:** July 30, 2007 **Address**: 22, Madan Mohan Talla Street, Kolkata-700005, West Bengal **Nationality:** Indian	41 Years	Director	1. M/s Arintex Global Ltd. 2. M/s MMP Filtration Pvt. Ltd.
Mr. Ravi Joshi **DIN:** 02781932 **Date of Appointment:** September 1, 2009 **Address**: House No. 4638, Gali no. 9 Sehetpur Shyam Colony, Faridabad- 121007, Haryana **Nationality:** Indian	36 Years	Director	-
Mr. Trinadh Kiran Vemuri **DIN:** 02750590 **Date of Appointment:** August 28, 2010 **Address**: 926, G Wing, Maple Leaf, Raheja Vihar, Mumbai, 400072, Maharashtra **Nationality:** Indian	34 years	Director	1. M/s Apaar Finance & Investment Ltd. 2. M/s Enrich Fin & Securities Ltd 3. M/s Ksema Fincon Ltd 4. M/s Ksema Fin Secure Consultants Ltd.

Relationship between our Directors

There is no relationship between the directors of the Company.

Biographies of Our Directors

Mrs. Abhilasha Agarwal

Mrs. Abhilasha Agarwal is our Whole Time Director since September 29, 2007. Ms. Abhilasha Agarwal belongs to a business family and is actively engaged in all the business activities of the family. Earlier she was in Singapore doing business of trading in commodities. Recently she has shifted to India and since then she is actively involved with well known Young FlCCl Ladies Organization and also keenly participates in the activities of reputed Young Entrepreneurs Organization, where she specially focuses and contributes to the growth of entrepreneurship among women. Simultaneously, she has been doing proper groundwork and research for trading business.

She had acquired the entire stake from the promoters of the Company vide SPA dated January 30, 2006 and consequently had made the Open Offer which was informed to the public vide the public offer document published in a leading English national daily and a national Vernacular daily on February 03, 2006. She has taken over the Company with the sole motive of expanding the business and profitability of the Company.

Mr. Mukesh Jain

Mr. Mukesh Jain is 42 years of` age having a Bachelors degree in Commerce. He has a vast experience in trading in commodities varying Rice, Sugar, Soya, Edible oils in local as well as international markets. Mr. Jain has been our Independent Director since September 29, 2006.

Mr. Vishal Bakshi

Mr. Vishal Bakshi is 41 years of age having a Bachelors degree in Commerce and a Post Graduate Diploma in Journalism. He has 10 years of experience in management and financial sector. Mr. Vishal Bakshi has been our Independent Director since September 29, 2006.

Mr. Ashish Todi

Mr. Ashish Todi is 41 years of age having a Bachelors degree in Commerce. He has been as our Independent Director since July 30, 2007. He has experience in international trade for the past 18 years. He has been successful in running the Company which has been conferred Export House status by Ministry of Commerce, Government of lndia. He is well known in social circle of Kolkata and member of Chamber of Commerce.

Mr. Ravi Joshi

Mr. Ravi Joshi is 36 years of age having a Bachelors degree in Commerce and a Master degree in international Marketing and Export Import Management. He has 9 years of experience in Export Import Documentation and Finance sector. Mr. Joshi is the Non-Executive Director of our Company since September 1, 2009.

Mr. Trinadh Kiran Vemuri

Mr. Vemuri was appointed as Additional Director in the Board Meeting dated August 28, 2010. After completing Masters in International Business Management started career as Research Associate at llM Ahmedabad and later shifted to Equity analysis and research space by joining lndiainfoline, lndiabulls, Networth and Unicon. With a total work experience of over 10 years and extensive knowledge of Analysis, Retail broking and expertise in E Broking risk management & Hedging.

Interest of our Directors in the Company

All of our directors may be deemed to be interested to the extent of fees payable to them for attending Board or Board committee meetings as well as to the extent of other remuneration and reimbursement of expenses payable to them. Our executive directors also may be deemed interested to the extent of remuneration paid to them for services rendered as our officers or employees.

All of our Directors may also be regarded as interested in any Equity Shares and stock options held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. All directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms and trust, in which they are interested as directors, members, partners, trustees.

All of our Directors may be deemed to be interested in the contracts, agreements or arrangements entered into or to be entered into by us with any company in which they hold directorships or any partnership firm in which they are partners. Except as otherwise stated in this Placement Document and our statutory registers, we have not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Placement Document in which any of our directors are interested directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Shareholding of Directors

The following table sets forth the shareholding of our directors as on March 31, 2011.

Name	*Number of Equity Shares*	*Shareholding Percentage*
Abhilasha Agarwal	16,44,348	54.81
Mukesh Jain	49,600	1.65
Vishal Bakshi	22,500	0.75
Ashish Todi	Nil	-
Ravi Joshi	Nil	-
Trinadh Kiran Vemuri	Nil	-
Total	**17,16,448**	**57.21**

Remuneration of Directors

The following table sets forth all compensation paid to our presently serving non-Executive Directors during the fiscal year ended June 30, 2010.

Name	Remuneration (Rs.)	Total Sitting Fees (Rs.)	Commission (Rs.)	Total (Rs.)
Abhilasha Agarwal	1,113,000	-	-	**1,113,000**
Mukesh Jain	-	-	-	-
Vishal Bakshi	-	-	-	-
Ashish Todi	-	-	-	-
Ravi Joshi	253,500	-	-	**253,500**
Trinadh Kiran Vemuri	-	-	-	-

Key Managerial Personnel

Name	Designation	Age	Date of joining	No. of shares held
Abhilasha Agarwal	Whole Time Director	37	September 29, 2007	1,644,348 (54.81%)
Ravi Joshi	Director	35	September 1, 2009	Nil
P. Chowdhary	Chief Financial Officer	44	August 01, 2006	Nil
R N Chandghotia	Chief Operating Officer	50	January 01, 2008	Nil
K. C. Mathur	Chief Executive Officer	47	January 01, 2011	Nil

Biographies of Our Key Managerial personnel

Mrs. Abhilasha Agarwal

Mrs. Abhilasha Agarwal is our Whole Time Director since September 29, 2007. Ms. Abhilasha Agarwal belongs to a business family and is actively engaged in all the business activities of the family. Earlier she was in Singapore doing business of trading in commodities. Recently she has shifted to India and since then she is actively involved with well known Young FlCCl Ladies Organization and also keenly participates in the activities of reputed Young Entrepreneurs Organization, where she specially focuses and contributes to the growth of entrepreneurship among women. Simultaneously, she has been doing proper groundwork and research for trading business.
She had acquired the entire stake from the promoters of the Company vide SPA dated January 30, 2006 and consequently had made the Open Offer which was informed to the public vide the public offer document published in a leading English national daily and a national Vernacular daily on February 03, 2006. She has taken over the Company with the sole motive of expanding the business and profitability of the Company.

Mr. Ravi Joshi

Mr. Ravi Joshi is 36 years of age having a Bachelors degree in Commerce and a Master degree in international Marketing and Export Import Management. He has 9 years of experience in Export Import Documentation and Finance sector. Mr. Joshi is the Non-Executive Director of our Company since September 1, 2009.

Mr. P. Chowdhary

Mr. P. Chowdhary is 45 years of age having a Bachelors degree in Commerce and also having a MBA degree in Finance. He has around 25 years of experience in the field of Finance/ Trading and International Trade and has worked in India & abroad.
It is due to his experience in the above mentioned field that he is appointed as a Chief Financial Officer of Financial Eyes (India) Limited to expand and grow its business operations under his guidance.

Mr. R N Chandghotia

Mr. R N Chandghotia is 55 years of age having a Bachelors degree in Commerce, he also have degree of LLB and has done DBM (IMC) & DBM(IITC). He has 20 years of experience in the field of Shipping & Logistics.
It is due to his vast experience in the above mentioned field that he is appointed as a Chief Operating Officer of Financial Eyes (India) Limited to expand and grow its business operations under his guidance.

Mr. K C Mathur

Mr. K. C Mathur is 48 years of age having a Bachelors degree in Commerce. He also has Diploma Degree in Foreign Trade & Post Graduate Diploma in Marketing & sales Management. He has around 25 years of experience in the field of International Trading-Including third Country trading.
It is due to his experience in the above mentioned field that he is appointed as a Chief Executive Officer of Financial Eyes (India) Limited to expand and grow its business operations under his guidance.

Managerial Remuneration as at June 30, 2010

Particulars	**Rs. (InMillion)**
Salary	1.43
Other Benefits	-

Transactions between the Company and its Directors and Key Management Personnel as at June 30, 2010

Related Party Transaction:

(Rs. In Millions)

Nature of transaction	**Related party where control exists**	**Key Managerial Personnel**
Expenses:		
Remuneration	1.11	2.07
Advance received		
Share Application Money received	137.50	-

Corporate Governance

We comply with all applicable corporate governance requirements, including the listing agreement with the Stock Exchanges and the SEBI Regulations, including constitution of the Board and committees thereof. Our corporate governance framework is based on an effective independent Board of Directors, separation of the supervisory role of the Board of Directors from the executive management team and proper constitution of committees of the Board of Directors. Our Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board of Directors with detailed reports on our performance periodically.

Currently our Board of Directors consists of six directors out of which three are independent directors.

Committees of the Board of Directors

We have three Board-level committees, which have been constituted and function in accordance with the relevant provisions of the Companies Act and the Equity Listing Agreement: (i) Audit Committee, (ii) Share Transfer Committee and (iii) Shareholders'/Investors' Grievances Committee.

1. Audit Committee

The Audit Committee consists of the following directors:

Name of the Member	Status
Mukesh Jain	Chairman
Vishal Bakshi	Member
Ravi Joshi	Member

The responsibilities of Audit Committee include:

- Overseeing the company's financial reporting process and disclosure of financial information;
- Recommend the appointment of Statutory Auditors and fixation of their fees;
- Reviewing with management and internal auditors the adequacy of internal control systems;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Observation of the Auditors on adequacy of the internal audit system, major accounting policies and practices. Compliances with accounting standards and Listing Agreement entered into with the Stock Exchange and other legal requirements to review the Company's financial and risk management policies and to review the Quaterly, Half Quaterly and Annual financial statements etc. before submission to the Board of Directors.

2. Share Transfer Committee

The Share Transfer Committee consists of the following directors:

Name of the Member	Status
Vishal Bakshi	Chairman
Ravi Joshi	Member
Deepti Dabral	Company Secretary

3. Shareholders'/Investors' Grievances Committee

The Shareholders'/Investors' Grievances Committee consists of the following directors:

Name of the Member	Status
Vishal Bakshi	Member
Ravi Joshi	Member
Mukesh Jain	Member

The responsibilities of the Shareholders'/Investors' Grievances Committee is as per Clause 49 of the listing agreement. One of the primary functions carried out by Shareholders'/Investors' Grievances Committee is to approve requests for share transfers and transmission and requests for rematerialisation of shares as well as the subdivision, consolidation, issue of renewed and duplicate share certificates. The Shareholders'/Investors' Grievances Committee oversees all matters encompassing shareholders/investor-related issues.

Policy on disclosures and internal procedure for prevention of insider trading

All Directors, officers and employees of the Company are required to comply with the Insider Trading Regulations and also adhere to the model code of conduct for Prevention of Insider Trading for listed companies as prescribed under the Insider Trading Regulations. Pursuant to the model code of conduct, employees/Directors of the Company shall maintain the confidentiality of all price sensitive information about the Company, which is not in the public domain and constitutes insider information, and shall not pass on such information to any person, directly or indirectly, by way of making a recommendation for the purchase or sale of securities.

ORGANISATION STRUCTURE AND PRINCIPAL SHAREHOLDERS

Shareholding Pattern

The following table sets forth our shareholding pattern as at March 31, 2011

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	1	1,644,348	1,644,348	54.81	54.81	1,600,000	97.30
Sub Total	**1**	**1,644,348**	**1,644,348**	**54.81**	**54.81**	**1,600,000**	**97.30**
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	**1**	**1,644,348**	**1,644,348**	**54.81**	**54.81**	**1,600,000**	**97.30**
(B) Public Shareholding							
(1) Institutions							
(2) Non-Institutions							
Bodies Corporate	63	744,721	730,221	24.82	24.82	-	-
Individuals						-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh	655	290,117	191,745	9.67	9.67	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	10	217,926	217,926	7.26	7.26	-	-
Any Others (Specify)	**21**	**102,958**	**101,558**	**3.43**	**3.43**	**-**	**-**
Directors & their Relatives & Friends	3	76,605	76,605	2.55	2.55	-	-
Hindu Undivided Families	12	21,433	21,433	0.71	0.71	-	-
Clearing Members	4	1,051	1,051	0.04	0.04	-	-
NRIs/OCBs	2	3,869	2,469	0.13	0.13	-	-

Sub Total	**749**	**1,355,722**	**1,241,250**	**45.19**	**45.19**	**-**	**-**
Total Public shareholding (B)	**749**	**1,355,722**	**1,241,250**	**45.19**	**45.19**	**-**	**-**
Total (A)+(B)	**750**	**3,000,070**	**2,885,798**	**100.00**	**100.00**	**1,600,000**	**53.33**
(C) Shares held by Custodians and against which Depository Receipts have been issued	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(1) Promoter and Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
Sub Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A)+(B)+(C)*	**750**	**3,000,070**	**2,885,798**	**100.00**	**100.00**	**1,600,000**	**53.33**

*On May 09, 2011, the Company has allotted 3,500,000 warrants convertible into equivalent number of equity shares of which 2,750,000 warrants were allotted to Promoters and 750,000 warrants were allotted to Non promoters. These warrants have been converted into equivalent number of Equity Shares on July 08, 2011.

The following table sets forth the shareholding of the "Promoter and Promoter Group" as at March 31, 2011.

Sl. No.	Name of the Shareholder	Total Shares held		Shares pledged or otherwise encumbered		
		Number	As a % of grand total (A)+(B)+(C)	Number	% of Total shares held	As a % of grand total (A)+(B)+(C)
1	Abhilasha Agarwal	1,644,348	54.81	1,600,000	97.30	53.33
	Total	**1,644,348**	**54.81**	**1,600,000**	**97.30**	**53.33**

The following table sets forth the shareholding of those shareholders, other than those belonging to the "Promoters and Promoter Group", holding more than 1% of our paid-up capital as at March 31, 2011.

Sl. No.	Name of the Shareholder	No. of Shares	Shares as % of Total No. of Shares
1	Primus Finvest Pvt Ltd	65,000	2.17
2	Diti Securities Pvt Ltd	34,200	1.14
3	Auro Sugar Pvt Ltd	54,682	1.82
4	Hardeep Crefinlease Pvt Ltd	70,000	2.33
5	Hanre Chemicals Pvt Ltd	75,000	2.50
6	Bakliwal Fincom Pvt Ltd	118,967	3.97
7	Ashirbad Vyapaar Pvt Ltd	30,160	1.01
8	Ajaramar Trading & Investments Pvt Ltd	31,631	1.05
9	BMA Wealth Creators Pvt Ltd	92,300	3.08
10	Anurag Tulshan	30,660	1.02
11	Parash Jain	34,355	1.15
12	Mukesh Jain	49,600	1.65
	Total	**686,555**	**22.88**

ISSUE PROCEDURE

Below is a summary of the procedure relating to the bidding, application payment, Allocation and Allotment for a QIP. The procedure followed in the Issue may differ from the one mentioned below, and prospective investors are assumed to have apprised themselves of the same from us or the Book Running Lead Manager. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See **"Distribution and Solicitation Restrictions" and "Transfer Restrictions".**

Qualified Institutions Placements

The Issue is being made to QIBs in reliance upon chapter VIII of the SEBI Regulations through the mechanism of a QIP. Under chapter VIII of the SEBI Regulations, an issuer which is a listed company in India may issue equity shares, non convertible debt instruments along with warrants or convertible securities other than warrants, provided that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders;
- the equity shares of the same class of such issuer have been listed on a recognised stock exchange in India that has nationwide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the special resolution; and
- such issuer complies with the minimum public shareholding requirements set out in the listing agreement with the stock exchange referred to above.

Additionally, there is a minimum pricing requirement under the SEBI Regulations. The issue price of the securities shall not be less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date.

"Relevant date" means:

i. in case of allotment of equity shares, the date of the meeting in which the board of directors of the issuer or the committee of directors duly authorised by the board of directors of the issuer decides to open the proposed issue;

ii. in case of allotment of eligible convertible securities, either the date of the meeting in which the board of directors of the issuer or the committee of directors duly authorised by the board of directors of the issuer decides to open the issue of such convertible securities or the date on which the holders of such convertible securities become entitled to apply for the equity shares.

"Stock exchange" means any of the recognized stock exchanges in which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such equity shares has been recorded during the two weeks immediately preceding the relevant date.

Securities must be allotted within twelve months from the date of the shareholders resolution approving the QIP. The securities issued pursuant to the QIP must be issued on the basis of a placement document that shall contain all material information including the information specified in Schedule XVIII of the SEBI Regulations. The placement document is a private document provided to less than 49 investors through serially numbered copies and is required to be placed on the website of the concerned stock exchange and of the issuer with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors. A copy of the placement document is required to be filed with the SEBI for record purposes within 30 days of the allotment of the securities.

The aggregate of the proposed QIP and all previous QIPs made in the same financial year shall not exceed five times the net worth of the issuer as per its audited balance sheet of the previous financial year. The issuer shall furnish a copy of the placement document to each stock exchange on which its equity shares are listed.

Securities allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on a recognised stock exchange in India.

The Company has received in-principle approval from BSE for issue and allotment of the Equity Shares and that the application for the final listing and trading approval will be made only after the Allotment of the Equity Shares in the Offering.

Issue Procedure

We and the Book Running Lead Manager shall circulate serially numbered copies of the Preliminary Placement Document and the Application Form, either in electronic or physical form, to not more than 49 QIBs.

The list of QIBs to whom the Application Form is delivered shall be determined by the Book Running Lead Manager in consultation with us. **Unless a serially numbered Preliminary Placement Document along with the Application Form is addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person.

QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the Book Running Lead Manager.

Each QIB will be required to indicate the following in the Application Form:
- name of the QIB to whom Equity Shares are to be Allotted;
- number of Equity Shares Bid for;
- price at which the QIB is agreeable to subscribe for the Equity Shares, provided that the QIB may also indicate that it is agreeable to submit an Application Form at a “Cut-off Price”; and
- the details of the dematerialised account(s) to which the Equity Shares should be credited.

Note: Each sub-account of an FII will be considered as an individual QIB and separate Application Forms would be required from each such sub-account for submitting Application Form(s).

Once a duly completed Application Form is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid Closing Date. The Bid Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

Upon receipt of the Application Form, we shall determine the Issue Price and the number of Equity Shares to be issued in consultation with Book Running Lead Manager. Upon determination of the Issue Price and the QIBs to whom Allocation shall be made, the Book Running Lead Manager will send the CAN to the QIBs who have been Allocated the Equity Shares. The dispatch of the CAN shall be deemed a valid, binding and irrevocable contract for the QIBs to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIB.

Pursuant to receiving a CAN, each QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our designated bank account by the Pay-In Date as specified in the CAN sent to the respective QIBs.

Upon receipt of the application monies from the QIBs, we shall Allot Equity Shares as per the details in the CAN to the QIBs. We shall not Allot Equity Shares to more than 49 QIBs. We will intimate to the Stock Exchanges the details of the Allotment. After receipt of the listing approval from the Stock Exchanges, we shall credit the Equity Shares into the Depository Participant accounts of the respective QIBs. We shall then apply for the trading permissions from the Stock Exchanges.

The Equity Shares that have been credited to the Depository Participant accounts of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchange.

Upon receipt of intimation of final listing and trading approval from the Stock Exchange, we shall inform the QIBs who have received an Allotment of the receipt of such approval. We and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchange or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or us.

Qualified Institutional Buyers

Only QIBs as defined in regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to regulation 86 of the SEBI Regulations are eligible to invest. Currently a QIB means:

- a mutual fund, venture capital fund and foreign venture capital investor registered with SEBI;
- a foreign institutional investor and sub-account registered with the SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- a public financial institution as defined in section 4A of the Companies Act;
- a scheduled commercial bank;
- a multilateral and bilateral development financial institution;

- a state industrial development corporation;
- an insurance company registered with the Insurance Regulatory and Development Authority;
- a provident fund with minimum corpus of Rs. 250 Million;
- a pension funds with minimum corpus of Rs. 250 Million;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.
- Insurance funds set up and managed by army, navy or air force of the Union of India.

FIIs are permitted to participate in the QIP through the portfolio investment scheme in this Issue. FIIs are permitted to participate in the QIP subject to compliance with all applicable laws and the shareholding of the FIIs does not exceed specified limits as prescribed under applicable laws in this regard.

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issued capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital, or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual.

No Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being a Promoter or any person related to a Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to a Promoter:

- rights under a shareholders agreement or voting agreement entered into with a Promoter or persons related to a Promoter;
- veto rights; or
- a right to appoint any nominee director on our Board;

provided, however, a QIB which does not hold any of our Equity Shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to a Promoter.

We and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Code.

A minimum of 10% of the Equity Shares in this Issue shall be allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be allotted to other QIBs.

Note: Affiliates or associates of the Book Running Lead Manager who are QIBs may participate in this Issue in compliance with applicable laws.

Application Process

Application Form

QIBs shall only use the serially numbered Application Forms supplied by Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid).

By making a Bid (including any revision thereof) through Application Forms, the QIB will be deemed to have made the representations and warranties and agreements made under "**Distribution and Solicitation Restrictions" and "Transfer Restrictions".**

QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD.

Details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for its share of the Allotment (as indicated by the CAN) and becomes a binding contract on the QIB upon our issuance of the CAN in favour of the QIB.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied. The Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at the following address:

Name: Corporate Professionals Capital Private Limited
Address: D-28, South Extn., Part-I, New Delhi-110049
Contact Person: Mr. Manoj Kumar/ Ms. Ruchi Hans
Email: manoj@indiacp.com/ ruchi@indiacp.com
Phone: 011-40622228/51

The Book Running Lead Manager shall not be required to provide any written acknowledgement of the same.

Pricing and Allocation

Book Building

The QIBs shall submit their Bids (including any revision thereof) within the Bidding Period to the Book Running Lead Manager.

Price Discovery

In consultation with the Book Running Lead Manager, we shall determine the Issue Price for the Equity Shares, which shall be at or above the Floor Price.

Method of Allocation

We shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with chapter VIII of the SEBI Regulations.

Application Forms received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

OUR DECISION IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT OUR SOLE AND ABSOLUTE DISCRETION, AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER WE NOR THE BOOK RUNNING LEAD MANAGER IS OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the Book Running Lead Manager as per the details provided in the respective CAN.

Number of Allottees

The minimum number of Allottees in the Issue shall not be less than:

- two, where the issue size is less than or equal to Rs. 2500 Millions; or
- five, where the issue size is greater than Rs. 2500 Millions.

Provided that no single Allottee shall be allotted more than 50% of the aggregate amount of the Issue Size.

Provided further that QIBs belonging to the same group or those who are under common control shall be deemed to be a single Allottee for the purpose of this clause. For details of what constitutes **"same group" or "common control" Refer Page 7 of this Placement Document.**

The maximum number of Allottees of Equity Shares shall not be greater than 49 Allottees.

Further the Equity Shares will be allotted within 12 months from the date of the shareholders resolution approving the Issue.

CAN

Based on the Application Forms received, we in consultation with the Book Running Lead Manager, in our sole and absolute discretion, decide the QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the amounts payable for Allotment of such Equity Shares by the Pay-in Date in their respective names shall be notified to such

QIBs. Additionally, the CAN will include details of the bank account(s) for transfer of funds if done electronically, address where the application money needs to be sent, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective QIB's account.

The eligible QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery alongwith a serially numbered CAN.

The dispatch of the serially numbered Placement Document and the CAN shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the Book Running Lead Manager and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

Company Account for Payment of Application Money

We have opened the Escrow Account with Punjab National Bank in the name of **"Financial Eyes (India) Limited- QIP Escrow Account"** in terms of the arrangement between the Company, the Book Running Lead Manager and Punjab National Bank. The QIB will be required to deposit the entire amount payable for the Equity Shares allocated to it by the Pay-In Date as mentioned in the respective CAN.

If the payment is not made favouring the Escrow Bank Account within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

In case of cancellations or default by the QIBs, we and the Book Running Lead Manager have the right to reallocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion, subject to the compliance with the requirement of ensuring that the Application Forms are sent to not more than 49 QIBs.

Payment Instructions

The payment of application money shall be made by the QIBs in the name of **"Financial Eyes (India) Limited-QIP Escrow Account"** as per the payment instructions provided in the CAN. QIBs should make payment only through electronic fund transfer.

Note: Payment of the amounts through cheques will be rejected.

Allotment of Equity Shares

The Equity Shares will not be allotted unless the QIBs pay the entire Issue Price to the Escrow Bank Account as stated above.

In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to rematerialise the Equity Shares as per the provisions of the Companies Act and the Depositories Act.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without any reason whatsoever. Following the Allotment and credit of Equity Shares into the QIBs Depository Participant account, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

The Escrow Bank shall not release the monies lying to the credit of the Escrow Bank Account to us until such time as we deliver to the Escrow Bank documentation regarding the final approval of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to the Issue.

After finalization of the Issue Price, we shall update the Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document. We also shall submit the Placement Document to the SEBI within 30 days of the date of Allotment for record purposes.

Other Instructions

Permanent Account Number or PAN

Each QIB should mention its PAN allotted under the I.T. Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the Application Form.** Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN, as the Application Form is liable to be rejected on this ground.

Right to Reject Applications

We, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reasons whatsoever. Our and the Book Running Lead Manager's decision in relation to the rejection of Bids shall be final and binding.

Shares in Dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialized form (i.e., not in physical certificates but shall be fungible and be represented by the statement issued through electronic mode).

A QIB applying for Equity Shares must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account with the Depository Participant of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with CDSL and NSDL.

The trading of the Equity Shares would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges. We will not be responsible or liable for the delay in the credit of Equity Shares due to errors in the Application Form or otherwise on part of the QIBs.

PLACEMENT

Placement Agreement

The Book Running Lead Manager has entered into a Placement Agreement with us (the "**Placement Agreement**"), pursuant to which the Book Running Lead Manager has agreed to place, on a best efforts basis, up to such number of the Equity Shares, the aggregate subscription amount of which shall be up to Rs. 250 Millions, to Qualified Institutional Buyers, pursuant to chapter VIII of the SEBI Regulations.

The Placement Agreement contains customary representations and warranties, as well as indemnities from us and is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

In connection with the Issue, the Book Running Lead Manager (or its affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase Equity Shares and be allocated Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of P-Notes. See **"Offshore Derivative Instruments".**

DISTRIBUTION AND SOLICITATION RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Persons who come into possession of this Placement Document are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorized or permitted.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI Regulations. Each purchaser of the Equity Shares in the Issue will be required to make, or be deemed to have made, as applicable, the acknowledgments and agreements as described under **"Transfer Restrictions"** of this Placement Document.

Australia

This Placement Document:

- does not constitute a disclosure document under part 6D.2 of the Corporations Act of the Commonwealth of Australia ("Corporations Act");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC") as a disclosure document for the purposes of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors ("Exempt Investors") available under section 708 of the Corporations Act .

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under this document will be made without disclosure in Australia under Part 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Part 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Part 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") an offer to the public of any Equity Shares which are the subject of the placement contemplated by this Placement Document may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

i. to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
ii. to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last (or, in Sweden, in its last two) annual or consolidated accounts;
iii. by the Book Running Lead Manager to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Book Running Lead manager for any such offer; or
iv. in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Equity Shares shall result in a requirement for the publication by the Book Running Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase any Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

This offer is for the intended recipients only and may not in any way be forwarded to the public in Sweden.

Accordingly, the Book Running Lead Manager represents, warrants and agrees that it has not offered or sold and will not offer or sell the Equity Shares in Sweden in a manner that would require the registration of a prospectus by the Swedish Financial Supervisory Authority according to the Financial Instruments Trading Act.

Hong Kong

No Equity Shares have been offered or sold, and no Equity Shares may be offered or sold, by means of any document, other than to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong. No document, invitation or advertisement relating to the Equity Shares has been issued or may be issued, whether in Hong Kong or otherwise, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted under the laws of Hong Kong) other than with respect to Equity Shares which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Equity Shares are subscribed or purchased under Section 275 by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor.

Shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except:

i. to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
ii. where no consideration is or will be given for the transfer; or

iii. where the transfer is by operation of law.

Switzerland

No Equity Shares will be publicly offered or distributed in Switzerland. Equity Shares shall be offered in Switzerland privately only to a select circle of investors without the use of any public means of information or advertisement. This Placement Document does not constitute an offer prospectus within the meaning of Art. 652a of the Swiss Code of Obligations. It has not been filed with or approved by any Swiss regulatory authority or stock exchange. The Equity Shares will not be registered in Switzerland or listed at any Swiss stock exchange. This Placement Document may not be distributed or used in Switzerland without our prior written approval.

United Arab Emirates

This document has not been reviewed, approved or licensed by the Central Bank of the United Arab Emirates (the "UAE"), Emirates Securities and Commodities Authority or any other relevant licensing authority in the UAE including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, in particular the Dubai International Financial Services Authority (the "DFSA"), a regulatory authority of the Dubai International Financial Centre (the "DIFC"). The Issue does not constitute a public offer of securities in the UAE, DIFC and/or any other free zone in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended), DFSA Offered Securities Rules and the Dubai International Financial Exchange Listing Rules, accordingly, or otherwise.

The Equity Shares may not be offered to the public in the UAE and/or any of the free zones including, in particular, the DIFC. The Equity Shares may be offered and this document may be issued, only to a limited number of investors in the UAE or any of its free zones (including, in particular, the DIFC) who qualify as sophisticated investors under the relevant laws and regulations of the UAE or the free zone concerned. Management of the company and the representatives represent and warrant that the Equity Shares will not be offered, sold, transferred or delivered to the public in the UAE or any of its free zones including, in particular, the DIFC.

United Kingdom

The Book Running Lead Manager has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Market Act 2000 (the "FSMA") received by it in connection with the issue or sale of the Equity Shares in circumstances in which Section 21(1) of the FSMA does not apply to it; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

United States

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States except in certain transactions exempt from or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S. Accordingly, the Equity Shares are being offered and sold outside the United States to non-U.S persons in compliance with Regulation S and the applicable laws of the jurisdiction where those offer and sales occur.

TRANSFER RESTRICTIONS

Purchasers of the Equity Shares in this Issue are not permitted to sell the Equity Shares for a period of one year from the date of allotment except through the Stock Exchanges.

Subject to the foregoing, each purchaser of the Equity Shares issued pursuant to this Issue, by accepting delivery of this document, will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of such Equity Shares in compliance with all applicable laws and regulations.
- Since no action has been taken to permit an offering of the Equity Shares in any jurisdiction, it will not offer or sell any of the Equity Shares which it may acquired in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.
- It acknowledges that the Equity Shares have not been and will not be registered under the Securities Act, and have not been and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act.
- It is not within the United States (within the meaning of Regulation S) and is purchasing the Equity Shares in an offshore transaction (within the meaning of Regulation S) made in accordance with Rule 903 of Regulation S.
- If the purchaser of Equity Shares is in Hong Kong, it is a person whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent and that it is a professional investor within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).
- If the purchaser of Equity Shares is in India, it is a QIB as defined in regulation 2(1)(zd) of the SEBI Regulations and undertakes to acquire, hold, manage or dispose of any Equity Shares that are allocated to it for the purposes of its business in accordance with chapter VIII of the SEBI Regulations.
- If the purchaser of Equity Shares is in Singapore, it is an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or a relevant person specified in Section 275 of the SFA.
- If the purchaser of Equity Shares is in the United Kingdom, it is a person (i) who has professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) who falls within article 49(2)(a) to (d) of the Financial Promotion Order, or (iii) to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services And Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated.
- If the purchaser of Equity Shares is in the European Economic Area ("EEA"), it is a "Qualified Investor" within the meaning of Article 2(e) of the Prospectus Directive (Directive 2003/71/EC), and is aware that the offering of the Equity Shares within the EEA will be made in reliance on Article 3(2)

of the Prospectus Directive or another exemption under the Prospectus Directive or local implementing legislation in respect thereof applicable in any European Member State.

- It acknowledges that we and the Book Running Lead Manager, our respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, it will promptly notify us.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the SEBI, the BSE and the NSE, and has not been prepared or independently verified by us or the Lead Manager or any of their respective affiliates or advisors. India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai.

Stock Exchange Regulations

Indian Stock Exchanges are regulated primarily by SEBI, as well as by the Government of India acting through the Ministry of Finance, Stock Exchange Division, under the Securities Contracts (Regulation) Act, 1956, as amended (the "SCRA") and the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**"). The SCRA and the SCRR along with the rules, by-laws and regulations of the respective stock exchanges regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner in which contracts are entered into, settled and enforced between members.

The SEBI Act granted SEBI, the powers to regulate the business of Indian securities markets, including stock exchanges and other financial intermediaries, promote and monitor self-regulatory organisations, prohibit fraudulent and unfair trade practices and insider trading and regulate substantial acquisitions of shares and takeovers of companies. SEBI has also issued guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeovers of companies, buybacks of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants.

Listing of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines issued by SEBI and the listing agreements of the respective stock exchanges. Under the SCRR, the governing body of each stock exchange is empowered to suspend trading of or dealing in a listed security for breach of an issuer's obligations under such listing agreement or for any other reason, subject to the issuer receiving prior notice of the intent of the exchange and upon granting of a hearing in the matter.

In the event that a suspension of a company's securities continues for a period in excess of three months, the company may appeal to the Securities Appellate Tribunal ("SAT") established under the SEBI Act to set aside the suspension. SEBI has the power to veto stock exchange decisions in this regard. SEBI also has the power to amend such listing agreements and the by-laws of the stock exchanges in India.

Clause 49 of the Listing Agreement provides that if non-executive chairman of a listed company is a promoter or is related to promoters of the company or persons occupying management positions at the board level or at one level below the board, at least one-half of the board of the company should consist of independent directors.

The Listing Agreement requires that all listed companies are required to ensure a minimum level of public shareholding at 25% of the total number of issued shares of a class or kind for the purpose of continuous listing.

The exceptions to this rule are for companies which agree to comply with the requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place varying individual scripwise price bands. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Delisting of Securities

SEBI has pursuant to a notification dated June 10, 2009, notified the SEBI (Delisting of Equity Shares) Regulations, 2009 ("**Delisting Regulations**").

The Delisting Regulations are applicable to: (i) voluntary delisting of securities by promoters of a company; (ii) any acquisition of shares of a company (either by a promoter or by any other person) or a scheme or arrangement, consequent to which the public shareholding in such company falls below the minimum limits specified in the listing conditions or listing agreement that may result in delisting of securities; (iii) promoters of companies who voluntarily seek to delist their securities from some or all stock exchanges on which the security is listed; (iv) cases where a person in control of the management is seeking to consolidate his holdings in a company in a manner that would result in the public shareholding in the company falling below the limit specified in the listing conditions or in the listing agreement that may have the effect of company being delisted; and (v) companies which may be compulsorily delisted by the stock exchanges on account of, among other things, violation of stock exchange bylaws.

Following a compulsory delisting, a company, its whole time directors, its promoters and the firms promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting.

No company can apply for permission to delist: (i) pursuant to a buyback of equity shares or preferential allotment made by a company or (ii) unless a period of three years has elapsed since the listing of that class of equity shares on any recognized stock exchange. Furthermore, if any instruments issued by the company which are convertible into the same class of equity shares that are sought to be delisted, are outstanding, delisting is disallowed. The Delisting Regulations allow a company to delist its equity shares from all or only recognized stock exchanges on which they are listed, provided an exit opportunity is given to shareholders. However they provide that an exit opportunity need not be given to the shareholders in cases where the securities continue to be listed on a stock exchange having nationwide trading terminals.

Presently, only the BSE and the NSE have nationwide trading terminals. When an exit option is required, the Delisting Regulations require a promoter or an acquirer intending to delist securities of a company to obtain the prior approval of the shareholders by a special resolution, make a public announcement in the manner provided for in the Delisting Regulations and make an in-principle application to and obtain final approval of the stock exchanges within one year of the passing of the shareholders resolution for delisting. A proposed delisting where no exit option is required to be given, does not require a shareholders resolution and a resolution of the board of directors is sufficient.

The floor price for delisting will be determined by calculating the average of the weekly high and low of the closing prices during the last 26 weeks or two weeks preceding the date on which the recognized stock exchanges were notified of the Board Meeting in which the delisting proposal was considered, whichever is higher. The offer must fulfill the criteria prescribed in the Delisting Regulations to be successful. Upon closure of the open offer process, all shareholders whose equity shares are verified will be paid the final price stated in the public announcement within 10 working days.

Further, the Ministry of Finance has, on June 10, 2009, proposed certain amendments to the Securities Contracts (Regulation) Rules, 1957 (“MoF Notification”) in relation to voluntary and compulsory delisting, to bring them in line with the Delisting Regulations. The MoF Notification shall become effective from the date that it is published in the Official Gazette.

Disclosures under the Companies Act and Securities Regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act and the SEBI Regulations, and be filed with the Registrar of Companies having jurisdiction over the place where a company’s registered office is situated. A company’s directors and promoters may be subjected to civil and criminal liability for misstatements in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and the allotment of securities among subscribers and establishes maximum commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, the SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. Prior to the repeal of certain rules in mid-1992, the Controller of Capital Issues of the Government regulated the prices at which companies could issue securities. The SEBI Regulations permit companies to freely price their issues of securities. All companies, including public limited companies, are required under the Companies Act to prepare, file with the Registrar of Companies and circulate to their shareholders audited annual accounts, which comply with the disclosure requirements of the Companies Act and regulations governing their manner of presentation, which include sections pertaining to corporate governance and the management's discussion and analysis. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of its listing agreement with the relevant stock exchange, including the requirement to publish un-audited financial statements on a quarterly basis, and is required to inform stock exchanges immediately regarding any stock price-sensitive information.

The Companies Act further requires mandatory compliance with accounting standards issued by the ICAI. The ICAI and SEBI have implemented changes which require Indian companies to account for deferred taxation, consolidate their accounts (subsidiaries only), and provide segment-wise reporting and disclosure of related party transactions from April 1, 2001 and accounting for investments in affiliated companies and joint ventures in consolidated accounts from April 1, 2002.

As at April 1, 2003, accounting of intangible assets is also regulated by accounting standards set by the ICAI and as at April 1, 2004 accounting standards set by the ICAI will regulate accounting for impairment of assets. The ICAI has recently announced that all listed companies and public interest entities have to comply with International Financial Reporting Standards from April 1, 2011.

Indian Stock Exchanges

There are currently 23 recognized stock exchanges in India. Most of the stock exchanges have their own governing board for self regulation. The BSE and NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation, and trading activity.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Indian Government under the SCRA. Recently, pursuant to the SEBI's BSE (Corporatisation and Demutualisation) Scheme, 2005, with effect from August 20, 2005 the BSE has been corporatised and demutualised and is now a company under the Companies Act. The BSE switched over from an open outcry trading system to an online trading network in May 1995 and has today expanded this network to over 349 cities in India. As at March 2011, the BSE had 1340 members, comprising 215 individual members, 1103 Indian companies and 22 FIIs. Only a member of the BSE has the right to trade in the stocks listed on the BSE. As at March 2011, there were 5067 listed companies trading on the BSE and the estimated market capitalisation of stocks trading on the BSE was Rs. 68390.84 billion. In March 2011, the average daily turnover on the BSE was Rs. 32225.6 Million. As at March 2011, the BSE had 15,669 trader work stations spread over 285 cities.

Internet-Based Securities Trading and Services

SEBI approved Internet trading in January 2000. Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by the SEBI. The NSE became the first exchange to grant approval to its members for providing Internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday through Friday, between 9:15 a.m. and 3:30 p.m. The BSE and NSE are closed on public holidays.

Trading Procedure

In order to facilitate smooth transactions, in 1995, BSE replaced its open outcry system with BSE On-line Trading ("BOLT") facility in 1995. This totally automated screen based trading in securities was put into practice nationwide.

This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

Electronic trading was introduced in India by NSE, which developed its technology in-house. NSE introduced for the first time in India, fully automated screen based trading, which uses a modern, fully computerised trading system designed to offer investors across the length and breadth of the country a safe and easy way to invest. The NSE trading system called 'National Exchange for Automated Trading' (NEAT) is a fully automated screen based trading system, which adopts the principle of an order driven market. The derivatives turnover on the NSE has surpassed the equity market turnover. The turnover of derivatives on the NSE increased from Rs. 23,654 million (US$ 207 million) in 2000-2001 to Rs. 130,904,779 million (US$ 3,275,076 million) in 2007-2008.

NSE faired very well in 2007 in terms of traded volumes in futures and options taken together, improving its worldwide ranking from 15th in 2006 to 9th in 2007. The traded volumes in the derivatives segment of the NSE saw an increase of 95% in 2007 over the figure in 2006.

Stock Market Indices

There is an array of indices of stock prices on NSE. The popular indices are the S&P CNX Nifty, CNX Nifty Junior, S&P CNX Defty, S&P CNX 500, CNX Midcap and CNX 100.

The following two indices are generally used in tracking the aggregate price movements on the BSE.

- The BSE Sensitive Index, or Sensex, consists of listed shares of 30 large market capitalisation companies. The companies are selected on the basis of market capitalisation, liquidity and industry representation. Sensex was first compiled in 1986 with the fiscal year ended March 31, 1979 as its base year. This is the most commonly used index in India.

- The BSE 100 Index (formerly the BSE National Index) contains listed shares of 100 companies including the 30 in Sensex. The BSE 100 Index was introduced in January 1989 with the fiscal year ended March 31, 1984 as its base year.

Takeover Code

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Code, which prescribes certain thresholds or trigger points that give rise to these obligations. The Takeover Code is under constant review by the SEBI. Since we are an Indian listed company, the provisions of the Takeover Code apply to us.

The salient features of the Takeover Code are as follows:

- The term “shares” is defined under the Takeover Code to mean equity shares or any other security, which entitles a person to receive shares with voting rights but does not include preference shares.
- Any acquirer (meaning a person who, directly or indirectly, acquires or agrees to acquire shares or voting rights in a company, or acquires or agrees to acquire control over a company, either by himself or with any person acting in concert with him) who acquires shares or voting rights that would entitle him to more than 5%, 10%, 14%, 54% or 74% of the shares or voting rights in a company is required to disclose the aggregate of his shareholding or voting rights in that company to the company and to each of the stock exchanges on which the company’s shares are listed at every such stage within two days of (i) the receipt of intimation of allotment of shares or (ii) the acquisition of shares or voting rights, as the case may be. Such company in turn is also required to disclose the same to the stock exchanges on which the company’s shares are listed.
- A person who holds more than 15% of the shares or voting rights in any company is required to make an annual disclosure of his holdings to that company within 21 days of the financial year ending on March 31 (which in turn is required to disclose the same to each of the stock exchanges on which that company’s shares are listed). Further, such person who holds 15% or more but less than 55% of the shares or voting rights in any company is required to disclose any purchase or sale of shares aggregating 2% of the share capital of a company along with the aggregate shareholding after such acquisition or sale, to that company (which in turn is required to disclose the same to each of the stock exchanges on which the company’s shares are listed) and to each of the stock exchanges on which the shares of the company are listed within two days of (i) the receipt of intimation of the allotment of shares or (ii) the acquisition of shares or voting rights, as the case may be.
- Promoters or persons in control of a company are also required to make periodic disclosure of their holdings or the voting rights held by them along with persons acting in concert, in the same manner as above, annually within 21 days of the end of each financial year as well as from the record date for entitlement of dividends. The company is also required to disclose the holdings of its promoters or persons in control as at March 31 of the respective year and on the record date fixed for the declaration of dividends to each of the stock exchanges on which its equity shares are listed. In addition, promoters or persons forming part of the promoter group of the company are also required to disclose to the company the details of the shares of the company pledged by them within 7 days of the creation, or invocation, of the pledge, as the case may be. The company is, in turn, required to disclose the information to the stock exchanges within 7 days of receipt of such information, if during any quarter ending March, June,

September and December of any year: (i) the aggregate number of pledged shares taken together with the shares already pledged during that quarter exceeds 25,000, or (ii) the aggregate total pledged shares taken together with the shares already pledged during that quarter exceeds 1% of the total shareholding or voting rights of the company, whichever is lower.

- An acquirer who, together with persons acting in concert with him, acquires or agrees to acquire 15% or more (taken together with existing equity shares or voting rights, if any, held by it or by persons acting in concert with it) of the shares or voting rights of a company would be required to make a public announcement offering to acquire a further minimum of 20% of the shares of the company at a price not lower than the price determined in accordance with the Takeover Code. Such offer has to be made to all public shareholders of a company (public shareholding is defined as shareholding held by persons other than the promoters) and within four working days of entering into an agreement for the acquisition of or of the decision to acquire shares or voting rights which exceed 15% or more of the voting rights in a company.
- A copy of the public announcement is required to be delivered on the date on which such announcement is published to SEBI, the company and the stock exchanges on which a company's equity shares are listed.
- An acquirer who, together with persons acting in concert with him, has acquired 15%, or more, but less than 55% of the shares or voting rights in the shares of a company, cannot acquire additional shares or voting rights that would entitle him to exercise more than 5% of the voting rights in any financial year ending on March 31 unless such acquirer makes a public announcement offering to acquire a further minimum of 20% of the shares of the company at a price not lower than the price determined in accordance with the Takeover Code.
- An acquirer who, together with persons acting in concert with him, if any, holds 55% or more but less than 75% of the shares or voting rights (or, where the company concerned obtained the initial listing of its shares by making an offer of at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the SCR Rules, less than 90% of the shares or voting rights in the company) in a company cannot acquire additional shares entitling him to exercise voting rights or voting rights unless such acquirer makes a public announcement offering to acquire a further minimum of 20% of the shares of the company at a price not lower than the price determined in accordance with the Takeover Code.
- However, an acquirer may acquire, together with persons acting in concert with him, additional shares or voting rights that would entitle him to exercise up to 5% voting rights in the company, without making a public announcement as aforesaid if (i) the acquisition is made through open market purchase in normal segment on the stock exchange but not through bulk/block deal/negotiated deal/preferential allotment, or the increase in the shareholding or voting rights of the acquirer is pursuant to a buyback of shares by the company; and (ii) the post acquisition shareholding of the acquirer together with persons acting in concert with him shall not increase beyond 75%
- Where an acquirer who (together with persons acting in concert) holds 55% or more, but less than 75% of the shares or voting rights (or, where the company concerned obtained initial listing of its shares by making an offer of at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the SCR Rules, less than 90% of the shares or voting rights) in the company, intends to consolidate its holdings while ensuring that the public shareholding in the target company does not fall below the minimum level permitted by the listing agreement with the stock exchanges, the acquirer may do so only through an open offer under the Takeover Code. Such open offer would be required to be made for the lesser of (i) 20% of the voting capital of the company, or (ii) such other lesser percentage of the voting capital of the company

as would, assuming full subscription to the open offer, enable the acquirer (together with persons acting in concert), to increase the holding to the maximum level possible, i.e. up to the delisting threshold (75% or 90%, as the case may be).

- In addition, regardless of whether there has been any acquisition of shares or voting rights in a company, an acquirer cannot directly or indirectly acquire control over a company (for example, by way of acquiring the right to appoint a majority of the directors or to control the management or the policy decisions of the company) unless such acquirer makes a public announcement offering to acquire a minimum of 20% of the shares of the company. In addition, the Takeover Code introduces the "chain principle" by which the acquisition of a holding company will obligate the acquirer to make a public offer to the shareholders of each of its subsidiary companies which is listed. However, the public announcement requirement will not apply to any change in control which takes place pursuant to a special resolution passed by way of postal ballot by shareholders. The Takeover Code sets out the contents of the required public announcements as well as the minimum offer price. The minimum offer price depends on whether the shares of the company are "frequently" or "infrequently" traded (as defined in the Takeover Code). In the case of shares which are Frequently traded, the minimum offer price shall be the highest of:

    a) the negotiated price under the agreement for the acquisition of shares or voting rights in the company;
    b) the highest price paid by the acquirer or persons acting in concert with him/her for any acquisitions, including through an allotment in a public, preferential or rights issue, during the 26-week period prior to the date of the public announcement; or
    c) the average of the weekly high and low of the closing prices of the shares of the company as quoted on the stock exchange where the shares of the company are most frequently traded during the 26-week period prior to the date of the public announcement or the average of the daily high and low of the prices of the shares as quoted on the stock exchange where the shares of the company are most frequently traded during the two-week period prior to the date of the public announcement, whichever is higher.

- The open offer for the acquisition of a further minimum of 20% of the shares of a company has to be made by way of a public announcement which is to be made within four working days of entering into an agreement for the acquisition or the decision to acquire shares or voting rights exceeding the relevant percentages or within four working days after the decision to make any such change(s) is made which would result in acquisition of control.
- The Takeover Code provides that an acquirer who seeks to acquire any shares or voting rights which would result in the public shareholding in the target company being reduced to a level below the limit specified in the listing agreement with the stock exchange for the purpose of listing on a continuous basis, shall take the necessary steps to facilitate the compliance by the company with the relevant provisions of such listing agreement, within the time period mentioned therein. Further, the Takeover Code contains penalties for the violation of any provisions.
- The Takeover Code permits conditional offers and provides specific guidelines for the gradual acquisition of shares or voting rights. Specific obligations of the acquirer and the board of directors of the target company in the offer process have also been set out.
- Acquirers making a public offer are also required to deposit a percentage of the total consideration for such offer in an escrow account. This amount will be forfeited in the event that the acquirer does not fulfil his/her obligations.

The public offer provisions of the Takeover Code (subject to certain specified conditions), do not apply, inter alia, to certain specified acquisitions, including the acquisition of shares (i) by allotment in a public and rights issue subject to the fulfilment of certain conditions, (ii) pursuant to an underwriting agreement, (iii) by registered stockbrokers in the ordinary course of business on behalf of clients, (iv) in unlisted companies (unless such acquisition results in an indirect acquisition of shares in excess of 15% in a listed company), (v) pursuant to a scheme of arrangement or reconstruction including an amalgamation or demerger, under any law or regulation of India or any other country, (vi) pursuant to a scheme under Section 18 of SICA, (vii) resulting from transfers between companies belonging to the same group of companies or between promoters of a publicly listed company and their relatives, provided the relevant conditions are complied with, (viii) through inheritance on succession, (ix) resulting from transfers by Indian venture capital funds or foreign venture capital investors registered with the SEBI, to their respective promoters or to other venture capital undertakings, (x) by companies controlled by the Indian Government unless such acquisition is made pursuant to a disinvestment process undertaken by the Indian Government or a State Government, (xi) pursuant to a change in control by the takeover/restoration of the management of a borrower company by a secured creditor under the terms of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, (xii) by acquisition of shares by a person in exchange for equity shares received under a public offer made under the Takeover Code, and (xiii) in terms of guidelines and regulations relating to delisting of securities as specified by SEBI. The Takeover Code does not apply to acquisitions in the ordinary course of business by public financial institutions, either on their own account or as a pledgee. An application may also be filed with the SEBI seeking exemption from the requirements of the Takeover Code.

Insider Trading Regulations

The SEBI (Prohibition of Insider Trading) Regulations 1992, as amended ("Insider Trading Regulations") have been notified by SEBI to prohibit and penalize insider trading in India. The Insider Trading Regulations prohibit an "insider" from dealing, either on his own behalf or on behalf of any other person, in the securities of a company listed on any stock exchanges when in possession of unpublished price-sensitive information. The terms "insider" and "unpublished price-sensitive information" are defined in the Insider Trading Regulations. The insider is also prohibited from communicating, counselling or procuring, directly or indirectly, any unpublished price-sensitive information to any other person who while in possession of such unpublished price-sensitive information is prohibited from dealing in securities. The prohibition under the Insider Trading Regulations extends to all persons, including a company dealing in the securities of a company listed on any stock exchange or associate of that other company, while in the possession of unpublished price-sensitive information. Pursuant to recent amendments to the Insider Trading Regulations, the definition of the term insider has been broadened to include any person who has received or has had access to unpublished price sensitive information of the company.

On a continuous basis any person who holds more than 5% of the shares or voting rights in any listed company is required to disclose to the company the number of shares or voting rights held by such person and change in shareholding or voting rights (even if such change results in the shareholding falling below 5%) and any such change in such holding since last disclosure made, where such change exceeds 2% of the total shareholding or voting rights in the company. Such disclosure is required to be made within two working days of either: (i) the receipt of intimation of allotment of shares; or (ii) the acquisition or sale of shares or voting rights, as the case may be.

Further, all directors and officers of a listed company are required to disclose to the company the number of shares or voting rights held and positions taken derivatives by such person in such company within two working days of becoming a director or officer of such company. All directors and officers of a listed company are also required to make periodic disclosures of their shareholding in the company as specified in the Insider Trading Regulations.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities associated with the securities market to establish an internal code of conduct to prevent insider trading deals and also to regulate disclosure of unpublished price-sensitive information within such entities so as to minimise misuse of such information. To this end, the Insider Trading Regulations provide a model code of conduct. As per the recent amendments, the Insider Trading Regulations require that the model code of conduct should not be diluted in any manner and shall be complied with. The model code of conduct has also been amended to prohibit all directors/ officers/ designated employees who buy or sell any number of shares of the company from entering into opposite transactions during the next six months following the prior transaction. All directors and designated employees have also been prohibited from taking positions in derivative transactions in shares of the company at any time. Further, certain provisions pertaining to, inter alia, reporting requirements have also been extended to dependants of directors and designated employees of the company.

Depositories

In August 1996, the Indian Parliament enacted the Depositories Act which provides a legal framework for the establishment of depositories to record ownership details and effect transfers in book-entry form. SEBI framed the Securities and Exchange Board of India (Depositories and Participants) Rules and Regulations, 1996 which provide inter alia, for the formation of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets. The Depositories Act requires that every person subscribing to securities offered by an issuer has the option either to receive the security certificate or hold the securities with a depository. The National Securities Depository Limited and the Central Depository Services Limited are two depositories that provide electronic depository facilities for the trading of equity and debt securities in India. Trading of securities in book-entry form commenced in December 1996. In order to encourage “dematerialization” of securities, SEBI has set up a working group on dematerialization of securities comprising foreign institutional investors, custodians, stock exchanges, mutual funds and the National Securities Depository Limited to review the progress of securities and trading in dematerialised form and to recommend scrips for compulsory, dematerialized trading in a phased manner. In January 1998, the SEBI notified scrips of various companies for compulsory dematerialised trading by certain categories of investors such as foreign institutional investors and other institutional investors and has also notified compulsory dematerialised trading in specified scrips for all retail investors. SEBI has subsequently significantly increased the number of scrips in which dematerialised trading is compulsory for all investors. SEBI has also provided that the issue and allotment of shares in public offers, rights offers or offers for sale after specified dates to be notified from time to time by SEBI shall only be in dematerialised form and an investor shall be compulsorily required to open a depository account with a participant. Under the Depositories Act, a company shall give the option to subscribers/shareholders to receive the security certificates or hold securities in dematerialised form with a depository. However, even in the case of scrips notified for compulsory dematerialized trading, investors, other than institutional investors, are permitted to trade in physical shares on transactions outside the stock exchange where there are no requirements for reporting such transactions to the stock exchange and on transactions on the stock exchange involving lots of less than 500 securities.

Transfers of shares in book-entry form require both the seller and the purchaser of the equity shares to establish accounts with depository participants registered with the depositories established under the Depositories Act. Charges for opening an account with a depository participant, transaction charges for each trade and custodian charges for securities held in each account vary depending upon the practice of each depository participant and have to be borne by the accountholder. Upon delivery, the shares shall be registered in the name of the relevant depository on the company's books and this depository shall enter the name of the investor in its records as the beneficial owner. The transfer of beneficial ownership shall be effected through the records of the depository. The beneficial owner shall be entitled to all rights and benefits and be subject to all liabilities in respect of his/her securities held by a depository.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRA Rules and the SEBI Act. The SCRA was amended in February 2000 and derivative contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivative exchange or derivative segment of a stock exchange functions as a self regulatory organisation under the supervision of SEBI. Derivatives products were introduced in phases in India, starting with futures contracts in June 2000 and index options, stock options and stock futures in June 2000, July 2001 and November 2001, respectively.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is certain information relating to the share capital of the Company including a brief summary of some of the provisions of the Memorandum and Articles of Association of the Company and the Companies Act relating to the rights attached to its Shares.

General

The authorized share capital of the Company is Rs. 100,000,000 comprising of 10,000,000 Equity Shares of Rs. 10 each.

Articles of Association

The Company is governed by its Articles of Association.

Description of the Shares

Dividends

Under the Companies Act, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the members, who have the right to decrease but not to increase the amount of the dividend recommended by the board of directors. However, the board of directors is not obligated to recommend a dividend. The decision of the Board of Directors and shareholders of the Company may depend on a number of factors, including but not limited to the Company's profits, capital requirements and overall financial condition.

According to the Articles of Association, the profits of the Company, subject to any special rights relating thereto created or authorized to be created by the Memorandum or the Articles, and subject to the provisions of the Companies Act and of the Articles, shall be divisible among the members in proportion to the amount of capital paid up on the Shares held by them respectively. In terms of the Articles, the Company may pay dividends in proportion to the amount paid up or credited as paid up on each share, where a larger amount is paid up or credited as paid up on some shares than on others. Under the equity listing agreement listed companies are mandated to declare dividend on per share basis only. Under the Articles of the Company, no dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits of the Company and no dividend shall carry interest as against the Company. The Directors may from time to time pay to the members such interim dividends as in their judgment the position of the Company justifies. Under the Companies Act, dividends can only be paid in cash to shareholders listed on the register of shareholders or those persons whose names are entered as beneficial owners in the record of the depository on the date specified as the "record date" or "book closure date."

The Company shall pay the dividend to the shareholder entitled within 30 days from the date of declaration of the dividend. No unpaid or unclaimed dividend shall be forfeited unless the claim thereto becomes barred by law. The Company shall comply with the provisions of sections 205A of the Companies Act in respect of unpaid or unclaimed dividend. Where the Company had declared a dividend which has not been paid or claimed by the shareholders entitled to the payment of such dividend, the Company shall within seven days from the expiry of 30 days from declaration of such dividend open a special account in any scheduled bank called the "Unpaid Dividend Account of the Financial Eyes (india) Limited" and transfer to the same the amount that remains unpaid. Any dividend payments unclaimed by the shareholders for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund ("IEPF") established by the Central Government. No claim shall lie against the Company or the IEPF after the said transfer.

Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous fiscal years or out of both in compliance with the provisions of Companies (Declaration of Dividend out of Reserves) Rules, 1975. Under the Companies Act, a company may pay a dividend in excess of 10 per cent of paid-up capital in respect of any year out of the profits of that year only after it has transferred to the reserves of the company a percentage of its profits for that year, ranging between 2.5 per cent to 10 per cent depending on the rate of dividend proposed to be declared in that year. The Companies Act further provides that if the profit for a year is insufficient, the dividend for that year may be declared out of the accumulated profits earned in previous years and transferred to reserves, subject to the following 133 conditions: (i) the rate of dividend to be declared may not exceed the lesser of the average of the rates at which dividends were declared in the five years immediately preceding the year, or 10 per cent of paid-up capital; (ii) the total amount to be drawn from the accumulated profits from previous years may not exceed an amount equivalent to 10 per cent of paid-up capital and reserves and the amount so drawn is first to be used to set off the losses incurred in the financial year before any dividends in respect of preference shares or shares; and (iii) the balance of reserves after withdrawals must not be below 15 per cent of paid-up capital.

Capitalization of Profits

In terms of the Articles, the Company at a general meeting may resolve that any moneys, investments to other assets forming part of the undivided profits, including profits or surplus moneys arising from the realization (where permitted by law) and from the appreciation in value of any capital assets of the Company, standing to the credit of the reserve or reserve fund or any other fund of the Company or in the hands of the Company and available for dividend or representing premiums received on the issue of Shares and standing to the credit of the share premium account, to be capitalized. The Articles of Association of the Company provide that such sums are required to be capitalized by the issue and distribution as fully paid up Shares, debentures, debenture stock, bonds or other obligations of the Company or by crediting shares of the Company which may have been issued to and are not fully paid up, with the whole or any part of sum remaining unpaid thereon.

In addition to permitting dividends to be paid out of current or retained earnings, the Companies Act also permits the issue of bonus shares from a share premium account. Any issue of bonus shares is subject to guidelines issued by SEBI.

The relevant SEBI regulations prescribe that no company shall, pending conversion of convertible securities, issue any shares by way of bonus unless similar benefit is extended to the holders of such convertible securities, through reservation of shares in proportion to such conversion. Further, as per the Companies Act, for the issuance of bonus shares a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The bonus issue must be made out of free reserves built out of genuine profits or share premium account collected in cash only. The issuance of bonus shares must be implemented within two months from the date of meeting of the Board of Directors wherein the decision to announce bonus was taken subject to shareholders' approval.

Pre-Emptive Rights and Alteration of Share Capital

The Companies Act gives the shareholders the pre-emptive right to subscribe for new shares in proportion to their respective existing shareholdings unless the shareholders elect otherwise by a special resolution. The offer must include: (a) the right, exercisable by the shareholders of record, to renounce the shares offered in favour of any person; and (b) the number of shares offered and the period of the offer, which may not be less than 30 days from the date of offer. If the offer is not accepted it is deemed to have been declined. The board of directors is authorised to distribute any new shares not purchased by the pre-emptive rights holders in the manner that it deems most beneficial to the company.
The Articles of the Company provide that the Company from time to time, by ordinary resolution:

- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- convert any paid up shares into stock and reconvert that stock into paid up shares of any denomination;
- Subdivide Shares or any of them into shares of smaller amount than originally fixed by the Memorandum and Articles of Association, subject, nevertheless, to the provisions of the Companies Act in that behalf.
- Subject to the Articles, the resolution by which any shares are sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares may be given any preference or advantage or otherwise over the others or any other such shares. However, in terms of an amendment to equity listing agreement, a listed company cannot issue shares in any manner which may confer on any person, superior rights as to voting or dividend vis-à-vis the rights on equity shares that are already listed.
- cancel any shares which, at the date of such general meeting, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of share so cancelled.

General Meetings of Shareholders

In accordance with section 166 of the Companies Act, a company must hold its annual general meeting each year within 15 months of the previous annual general meeting or within six months after the end of each accounting year, whichever is earlier, unless extended by the Registrar of Companies at the request of the company for any special reason.
The Articles of Association of the Company provide that the Board of Directors may, whenever it thinks fit, call an extraordinary general meeting. Written notices convening a meeting setting out the date, place, hour and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting in accordance with section 171 of the Companies Act. A general meeting may be called

after giving shorter notice if consent is received from all shareholders entitled to vote in case of an Annual General Meeting, or in case of any other meeting, by members of the Company holding not less than 95 per cent of such part of the paid up share capital of the Company as gives them a right to vote at the meeting. The accidental omission to give notice of any meeting to or the non receipt of any, notice by the member or other person to whom it should be given shall not invalidate the proceedings at the meetings. The Articles of the Company provide that no business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Five members present in person shall constitute the quorum. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine. If at such adjourned meeting also a quorum be not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

Voting Rights

In terms of the Articles of the Company, subject to the rights or restrictions for the time being attached to any class or classes of Shares, upon a show of hands, every member entitled to vote and present in person or by attorney or proxy shall have one vote. Upon a poll, every member entitled to vote and present in person or by attorney or by proxy shall have one vote for every share held by him. In the event of the Company issuing preference shares, the holders of such preference shares shall have no right to vote either in person or by proxy, at any general meeting by virtue or in respect of their holding of preference shares, unless the preferential dividend due on such preference shares or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting or unless a resolution is proposed directly affecting the rights or privileges attached to such preference shares.

The instrument appointing a proxy is required to be lodged with the company at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the company at the office before the vote is given. Further no member shall be entitled to exercise any voting right personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid for more than one month.

Registration of Transfers and Register of Members

A company is required to maintain a register of members wherein the particulars of the members of the Company are entered. For the purpose of determining the shareholders, entitled to corporate benefits declared by the Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the listing agreements of the stock exchanges on which the Company's Shares are listed, the 135 Company may, upon at least seven days' advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Directors

The Articles of the Company provide that the total number of Directors of the Company shall not be less than three and not be more than 12 inclusive of nominee director. The Directors shall be appointed by the Company in the general meeting subject to the provisions of the Companies Act and the Articles of Association. In terms of the Articles, so long as the Company owes any money to any lender, pursuant to the agreement signed for the financial assistance between the Company and the lender, the lender shall have a right to appoint from time to time any person or persons as a Director on the Board of Directors of the Company subject to the terms and conditions of such loans or agreement and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.

The Directors shall have power to appoint any person or persons as a Director or Directors, either to fill a causal vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed. However, any Director or Directors so appointed shall hold office only until the next following Annual General Meeting of the Company and shall then be eligible for re-election. Subject to the provisions of section 313 of the Companies Act the board of directors shall also have the power to appoint any person to act as an alternate director for a director during the latter's absence for a period of not less than three months from the state in which the meeting of the directors is ordinarily held. A director is not required to hold any qualification shares. Pursuant to the Companies Act not less than two-thirds of the total numbers of directors shall be persons whose period of office is subject to retirement by rotation and one third of such directors, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office at every annual general meeting. The directors to retire are those who have been the longest in the office since their last appointment. The retiring Directors shall be eligible for re-appointment.

Annual Report and Financial Results

In terms of the provisions of the Companies Act, the annual report must be laid before the annual general meeting of the shareholders of a company. This includes financial information about the company such as the audited financial statements as of the date of closing of the financial year, directors' report, management's discussion and analysis and a corporate governance section, and is sent to the shareholders of the company. Under the Companies Act, a company must file the annual report with the Registrar of Companies within 30 days from the date of the annual general meeting. As required under the listing agreements with the stock exchanges, copies are required to be simultaneously sent to the stock exchanges. The Company must also publish its financial results in at least one English language daily newspaper circulating the whole or substantially the whole of India and also in a newspaper published in the language of the region where the registered office of the Company is situate. The Company files certain information on-line, including its Annual Report, financial statements and the shareholding pattern statement, in accordance with the requirements of the listing agreements and as may be specified by SEBI from time to time.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. The Company has entered into an agreement for such depository services with the National Securities Depository Limited and the Central Depository Services (India) Limited.

Pursuant to the listing agreements, in the event the Company has not effected the transfer of Shares within one month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of one month, the Company is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Companies Act provides that the shares or debentures of a publicly listed company shall be freely transferable. However, the board of directors may, subject to Section 111A of the Companies Act, at any time in their discretion by giving reasons, decline to register shares on grounds mentioned under the Companies Act. Notice of such refusal must be sent to the transferee within one month of the date on which the transfer was lodged with the company. According to the Company's Articles, any person who becomes entitled to shares by reason of death, lunacy, bankruptcy or insolvency of a member shall be entitled to the same dividend and other advantages to which he would be entitled if he was a registered member.

If a company without sufficient cause refuses to register a transfer of shares within two months from the date on which the instrument of transfer is delivered to the company, the transferee may appeal to the Indian Company Law Board seeking to register the transfer of shares. The Company Law Board may, in its discretion, issue an interim order suspending the voting rights attached to the relevant shares before completing its investigation of the alleged contravention. Under the Companies (Second Amendment) Act, 2002, the Indian Company Law Board will be replaced with the National Company Law Tribunal. Further, under the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, which is expected to come into force shortly, the SICA is sought to be repealed and the Board of Industrial and Financial Reconstruction, as constituted under the SICA, is to be replaced with the National Company Law Tribunal.

Acquisition by the Company of its own Shares

The Articles of the Company authorize the purchase of its own Shares by the Company subject to the compliance of the Companies Act. Sections 77A, 77AA and 77B of the Companies Act empower a company to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the proceeds of the issue of any shares or other specified securities (other than from the proceeds of an earlier issue of the same kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:

- the buy-back should be authorized by the articles of association of the company;
- a special resolution has been passed in the general meeting of the company authorizing the buy-back;
- the buy-back in a financial year should be limited to 25% of the total paid-up capital and free reserves;
- all the shares or other specified securities for buy-back are fully paid-up;
- the debt owed by the company is not more than twice the capital and free reserves after such buy-back; and
- the buy-back is in accordance with the SEBI (Buy-Back of Securities) Regulations, 1998.

The requirement of special resolution mentioned above would not be applicable if the buy-back is for less than 10 per cent of the total paid-up equity capital and free reserves of the company and provided that such buy-back has been authorized by the board of directors of the company. A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back. Further, a company buying back its securities is not permitted to buy back any securities for a period of one year from the buy-back and to issue securities for six months. Every buy-back must be completed within a period of one year from the date of passing of the special resolution or resolution of the board of directors, as the case may be. A company is also prohibited from purchasing its own shares or specified securities through any subsidiary company, including its own subsidiary companies, or through any investment company (other than a purchase of shares in accordance with a scheme for the purchase of shares by trustees of or for shares to be held by or for the benefit of employees of the company) or if the company is defaulting on the repayment of deposit or interest, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act.

Secrecy Clause

In terms of the Articles, no member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which may be in the nature of a trade secret, mystery of trade or secret process which, may relate to the conduct of the business of the Company and which in the opinion of the Directors, it will be inexpedient in the interest of the members of the Company to communicate the same.

Liquidation Rights

The Articles of Association of the Company provide that without prejudice to the right of the holders of Shares issued upon special terms, and conditions if the Company is wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid-up at the commencement of the winding up, on the Shares held by them, respectively. And, if in winding up, the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital, at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them, respectively.

TAXATION

The information provided below sets out the possible tax benefits available to the shareholders of an Indian company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the Equity Shares, under the current tax laws presently in force in India.

Several of these benefits are dependent on our shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of any shareholder to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfil. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. You are advised to consult your own tax consultant and advisors with respect to the tax implications of an investment in the Equity Shares, particularly in view of certain recently enacted legislation which may not have a direct legal precedent or may have a different interpretation on the benefits which you can avail.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 ("IT ACT") AND OTHER DIRECT TAX LAWS PRESENTLY IN FORCE IN INDIA TAX BENEFITS AVAILABLE TO OUR SHAREHOLDERS

- This statement sets out below the possible tax benefits available to our shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on such shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of our shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the shareholders may or may not choose to fulfil;
- This statement sets out below the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of Equity Shares. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- In respect of non-residents, the tax rates and the consequent taxation, mentioned in this section shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/first-named holder in case the Equity Shares are held by joint shareholders.

I. Benefits Under the IT Act

A. Resident Shareholders

1. Under Section 10 (32) of the IT Act, any income of minor children clubbed in the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent such income does not exceed Rs.1,500 per minor child whose income is so included.

2. As per Section 10(34), read with Section 115-O of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after April 1, 2003 by the domestic companies) received on the Equity Shares is exempt from tax.

3. As per Section 2(29A), read with Section 2(42A), Equity Shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the Equity Shares are held for more than twelve months.

4. As per Section 10(38) of the IT Act, long term capital gains arising from the transfer of a long term capital asset being an Equity Share, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.

5. As per Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the IT Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 5 Million.
   However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.
   A "long term specified asset" means any bond, redeemable after three years and issued on or after the 1st day of April 2007 by the:
   - National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988; or
   - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

6. As per Section 54F of the IT Act, long term capital gains (in cases not covered under Section 10(38)) arising on the transfer of the Equity Shares held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:

   if the individual or Hindu Undivided Family-
   - owns more than one residential house, other than the new residential house, on the date of transfer of the Equity Shares; or
   - purchases another residential house within a period of one year after the date of transfer of the Equity Shares; or
   - constructs another residential house within a period of three years after the date of transfer of the Equity Shares; and

the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head “Capital Gains” of the year in which the residential house is transferred.

7. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ long term capital gains.

8. As per Section 111A of the IT Act, short term capital gains arising from the sale of Equity Shares transacted through a recognised stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).

9. As per Section 112 of the IT Act, taxable long-term capital gains, if any, on sale of listed securities will be charged to tax at the rate of 20% (plus applicable surcharge and education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess) without indexation benefits, whichever is less. Under Section 48 of the IT Act, the long term capital gains arising out of sale of capital assets excluding bonds and debentures (except Capital Indexed Bonds issued by the Government) will be computed after indexing the cost of acquisition/ improvement.

B.1 Non-Resident Shareholders – Other Than Foreign Institutional Investors

1. Under Section 10(32) of the IT Act, any income of minor children clubbed with the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent such income does not exceed Rs. 1,500 per minor child whose income is so included.

2. As per Section 10(34) read with Section 115-O of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after April 1, 2003 by the domestic companies) received on the Equity Shares is exempt from tax.

3. As per Section 2(29A) read with Section 2(42A), Equity Shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the Equity Shares are held for more than twelve months.

4. As per Section 10(38) of the IT Act, long term capital gains arising from the transfer of long term capital asset being an Equity Share, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.

5. As per first proviso to Section 48 of the IT Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of Equity Share, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilised in the purchase of Equity Shares. Cost Indexation benefit will not be available in such a case. As per Section of the IT Act, taxable long-term capital gains, if any, on sale of Equity Shares is chargeable to tax at the rate of 20% (plus applicable surcharge and education cess).

6. As per Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the IT Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 5 Million. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.
   A "long term specified asset" for making investment under this Section on or after April 1, 2007 means any bond, redeemable after three years and issued on or after the April 1, 2007 by:
   - National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988; or
   - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act.

7. As per Section 54F of the IT Act, long term capital gains (in cases not covered under Section 10(38)) arising on the transfer of the Equity Shares held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:
   if the individual or Hindu Undivided Family-
   · owns more than one residential house, other than the new residential house, on the date of transfer of the Equity Shares; or
   · purchases another residential house within a period of one year after the date of transfer of the Equity Shares; or
   · constructs another residential house within a period of three years after the date of transfer of the Equity Shares; and

   the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property". If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

8. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Longterm capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' longterm capital gains.

9. As per Section 111A of the IT Act, short term capital gains arising from the sale of Equity Shares transacted through a recognised stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).

10. As per Section 115E of the IT Act, in the case of a shareholder being a Non-Resident Indian, and subscribing to the Equity Shares in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the Equity Shares (in cases not covered under Section 10(38) of the ITA) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.

11. As per Section 115F of the IT Act and subject to the conditions specified therein, in the case of a shareholder being a Non-Resident Indian, gains arising on transfer of a long term capital asset being Equity Shares will not be chargeable to tax if the whole or part of net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the ITA. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

12. As per Section 115G of the ITA, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the ITA, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the ITA.

13. As per Section 115H of the ITA, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the ITA to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

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

    For the purpose of aforesaid clauses "Non-Resident Indian" means an Individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

    Provisions of the ITA vis-à-vis provisions of the Tax Treaty

15. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the nonresident is resident. As per the provisions of Section 90(2) of the ITA, the provisions of the ITA would
    prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

B.2 Non-Resident Shareholders – Foreign Institutional Investors

1. We are required to pay a "dividend distribution tax" currently at the rate of 16.995% (including applicable surcharge and education cess) on the total amount distributed or declared or paid as dividend. Under Section 10(34) of the IT Act, income by way of dividend referred to in Section 115-O received on our Equity Shares is exempt from income tax in the hands of shareholders. However it is pertinent to note that Section 14A of the IT Act restricts claim for deduction of expenses incurred in relation to exempt income.

2. As per Section 10(34) read with Section 115-O of the ITA, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after April 1, 2003 by the domestic companies) received on the Equity Shares is exempt from tax.

3. As per Section 2(29A) read with Section 2(42A), Equity Shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the Equity Shares are held for more than twelve months.

4. As per Section 10(38) of the ITA, long term capital gains arising from the transfer of long term capital asset being Equity Shares, where such transaction is chargeable to securities transaction tax, will be exempt to tax in the hands of the FIIs.

5. As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted

that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 5 Million.

However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” for making investment under this Section on or after April 1, 2007 means any bond, redeemable after three years and issued on or after the April 1, 2007 by:

- National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988; or
- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

6. As per Section 74 Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ short term as well as long-term capital gains. Longterm capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years’ longterm capital gains.

7. As per Section 111A of the ITA, short term capital gains arising from the sale of Equity Shares transacted through a recognised stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).

8. As per Section 115AD of the ITA, FIIs will be taxed on the capital gains that are not exempt under the provision of Section 10(38) of the ITA, at the following rates:

Nature of income	**Tax Rate (%)**
Long term capital gains	10
Short term capital gains (other than referred to in Section 111A)	30

The above tax rates have to be increased by the applicable surcharge and education cess.

In case of long term capital gains, (in cases not covered under Section 10(38) of the IT Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

9. As per Section 196D, no tax is to be deducted from any income, by way of capital gains arising from the transfer of Equity Shares payable to Foreign Institutional Investor.

10. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII is resident. As per the

provisions of Section 90(2) of the ITA, the provisions of the ITA would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

II. Benefits Available Under the Wealth-Tax Act, 1957

Asset as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, Equity Shares are not liable to wealth tax in the hands of shareholders.

III. Benefits Under the Gift Tax Act, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of Equity Shares will not attract gift tax.

IV. Benefits available to Mutual Funds

As per Section 10(23D) of the IT Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

V. Tax Deduction at Source

No income-tax is deductible at source from income by way of capital gains under the present provisions of the IT Act, in case of residents. However, as per the provisions of section 195 of the IT Act, any income by way of capital gains, payable to non residents (except long-term capital gains exempt under section 10(38) of the IT Act), may fall within the ambit of with-holding tax provisions, subject to the provisions of the relevant tax treaty. Accordingly income tax may have to be deducted at source in the case of a non- resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities.

LEGAL PROCEEDINGS

The Company believes that it is not involved in any legal proceedings and in the opinion of the Company, no proceedings are threatened, which may have, or have had during the 12 months preceding the date of this Placement Document, material adverse effect on the Company's business, financial position, profitability or results of operations.

GENERAL INFORMATION

- We were incorporated on September 13, 1994. Our registered office is located at F-58/1, Okhla Industrial Area, Phase-1, New Delhi-110020. We are registered with the Registrar of Companies, NCT of Delhi & Haryana, under CIN L74899DL1994PLC061447.
- The Issue was authorised and approved by the Board of Directors on August 28, 2010 and approved by the shareholders on September 30, 2010.
- We have received in-principle approval from BSE for issue and allotment of the Equity Shares and that the application for the final listing and trading approval will be made only after the Allotment of the Equity Shares in the Offering.
- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10.00 A.M. to 1.00 P.M. any weekday (except Saturdays and public holidays) at our registered office.
- We will obtain all consents, approvals and authorisations required in connection with this Issue.
- Except as disclosed herein, there are no litigation or arbitration proceedings against or affecting us, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue.
- Our current auditors are M/s Nangia & Company, Chartered Accountants. M/s Nangia & Company have audited the standalone financial statements of Financial Eyes (India) Limited as at June 30, 2010, March 31, 2009 and March 31, 2008.
- We confirm that we are in compliance with the minimum public shareholding requirements as required under the terms of the listing agreements with the Stock Exchanges.
- The Floor Price for the Issue is Rs. 50 per Equity Share. The Floor Price has been calculated in accordance with chapter VIII of the SEBI Regulations, as certified by the Company's Statutory M/s Nangia & Company, Chartered Accountants.

FINANCIAL STATEMENTS
AUDITORS' REPORT

Indian GAAP Financial Statements of Financial Eyes (India) Limited for the years ended on June 30, 2010, March 31, 2009 and March 31, 2008.

To,

The Board of Directors of

Financial Eyes (India) Limited

F-58/1, Okhla Industrial Area

Phase-1, New Delhi-110020

1. We, Nangia & Company, have audited the Balance Sheets of Financial Eyes (India) Limited as at June 30, 2010, March 31, 2009 and March 31, 2008 and the related Profit & Loss Account and Cash Flow Statements for the year ended on that date.
2. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
3. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with 'Significant Accounting Policies & Notes to Accounts' in Schedule '15', give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    i. in the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2010, March 31, 2009 and March 31, 2008.
    ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on June 30, 2010, March 31, 2009 and March 31, 2008.
    iii. In the case of Cash Flow Statement, of the cash flows for the year ended on June 30, 2010, March 31, 2009 and March 31, 2008.
5. This report is solely for your information and for the inclusion in the Placement Document being issued by the Company in connection with the issue of the Qualified Institutional Placement offered by the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For & on behalf of
Nangia & Company
Chartered Accountants
Firm Registration # 002391C

Rakesh Nangia
Partner
Membership Number: 070776
Date: May 13, 2011

Balance Sheet

As at June 30, 2010, March 31, 2008, March 31, 2009

(Amount in Rs. Millions)

Particulars	**Sch.**	**Audited**	**Audited**	**Audited**
		As at June 30, 2010	**As at March 31, 2009**	**As at March 31, 2008**
Sources of Funds				
Shareholders' Funds:				
Share Capital	**1**	30.00	30.00	30.00
Reserve and Surplus	**2**	109.87	74.17	53.17
Share Application Money		137.50	-	
		277.37	**104.17**	**83.17**
Loans Funds				
Secured Loans	**3**	495.45	200.73	243.20
Unsecured Loans		50.00*	50.00	20.00
		545.45	**250.73**	**263.20**
Deferred Tax Liability		**0.05**	**0.57**	**-**
Total		**822.876**	**355.474**	**346.37**
Application of Funds				
Fixed Assets	**4**			
Gross Block		45.90	27.60	14
Less: Accumulated Depreciation		9.17	2.68	0.27
Net Block		**36.73**	**24.92**	**13.73**
Deferred Tax Assets		**-**	**-**	**0.13**
Investments	**5**	**2.58**	**4.08**	**4.18**
Current Assets, Loans and Advances	**6**			
Inventories		264.76	115.44	265.58
Sundry Debtors		685.76	587.76	60.13
Cash and Bank Balance		248.96	69.28	30.08
Loans and Advances		134.16	55.52	30.70
		1333.64	**830**	**386.49**
Less: Current Liabilities and Provisions	**7**			
Current Liabilities		530.63	488.45	46.82
Provisions		19.45	13.08	11.34
		550.08	**501.53**	**58.16**

Net Current Assets		**783.57**	**326.46**	**328.33**
Total		**822.876**	**355.47**	**346.37**
Significant Accounting Policies and Notes to the Accounts	15			

*The above mentioned loan has been repaid to the full satisfaction of the lender on 09.12.2010 and 10.12.2010 respectively.

As per our attached report of even date

FOR NANGIA AND Co.
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
RAKESH NANGIA	**DEEPTI DABRAL**	**RAVI JOSHI**	**MUKESH JAIN**
FCA, PARTNER, Membership # 070776	**(COMPANY SECRETARY)**	**(DIRECTOR)**	**(DIRECTOR)**

Signed at New Delhi on May 13, 2011

Profit and Loss Account for the year ended June 30, 2010, March 31, 2009, March 31, 2008

(Amount in Rs. Millions)

Particulars	Sch.	Audited For the year ended June 30, 2010	Audited For the year ended March 31, 2009	Audited For the year ended March 31,2008
INCOME				
Sales		3731.15	2462.56	2016.55
Export Incentives	**8**	2.55	42.27	5.91
Other Income	**8**	18.06	1.59	2.00
Accretion/ (Decretion) in Inventory	**9**	149.32	(150.14)	191.79
		3901.09	**2356.28**	**2216.25**
EXPENDITURE				
Purchases		3710.09	2122.27	2107.298
Personnel Expenses	**10**	5.96	4.84	3.36
Direct Expenses	**11**	9.39	3.18	7.83
Administrative Expenses	**12**	22.20	18.27	7.12
Selling and Distribution Expenses	**13**	25.84	136.06	37.04
Financial Expenses	**14**	66.27	29.05	21.65
Exchange Loss		-	5.02	0.27
Depreciation		6.50	2.41	0.19
		3846.25	**2321.11**	**2184.754**
PROFIT BEFORE TAX		**54.84**	**35.17**	**31.50**
TAX EXPENSE				
Prior Period Tax Adjustment		0.72	0.63	-
Provision for Income Tax		18.72	12.30	11.04
Income Tax Paid/ (Written Back)		-	-	0.34
Provision for Wealth Tax		0.21	0.13	-
Fringe Benefits Tax		-	0.41	0.21
Deferred Tax for the year		(0.51)	0.69	(0.16)
Net		**19.14**	**14.165**	**11.43**
PROFIT CARRIED FORWARD TO THE BALANCE SHEET		**35.70**	**21.01**	**20.07**
Earnings Per Share (Re. per equity shares of Rs.10 each)				
-Basic		**11.90**	**7.00**	**6.69**
-Diluted		**11.90**	**7.00**	**6.69**
Number of shares used in computing earnings per share				
-Basic		**3,000,070**	**3,000,070**	**3,000,070**
-Diluted		**3,000,070**	**3,000,070**	**3,000,070**

As per our attached report of even date

FOR NANGIA AND Co.
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
RAKESH NANGIA	**DEEPTI DABRAL**	**RAVI JOSHI**	**MUKESH JAIN**
FCA, PARTNER, Membership # 070776	**(COMPANY SECRETARY)**	**(DIRECTOR)**	**(DIRECTOR)**

Signed at New Delhi on May 13, 2011

Cash Flow Statement for the year ended June 30, 2010, March 31, 2009, March 31, 2008

(Amount in Rs. Million)

Particulars	Audited For the year ended June 30, 2010	Audited For the year ended March 31, 2009	Audited For the year ended March 31,2008
Cash Flow arising from operations			
Net profit after tax and extraordinary items	35.70	21	20.08
Add:			
Depreciation	6.50	2.41	0.19
Loss on sale of Investments	0.07	-	-
Deferred Tax	(0.51)	0.69	(0.16)
Operating Profit/(Loss) before working capital charges	**41.76**	**24.10**	**20.11**
Add:			
Decrease in Stock in Trade	-	150.14	-
Decrease in Investment	-	-	0.25
Decrease in Debtors	-	-	114.13
Increase in Current Liabilities	48.55	443.38	-
Interest Expenditures	42.84	24.41	19.78
	133.15	**642.03**	**154.27**
Less:			
Increase in Stock in Trade	149.32	-	191.79
Increase in debtors	98.01	527.62	-
Profit on sale of Investment	-	0.01	-
Decrease in current Liabilities	-	-	169.30
Increase in loans & advances	78.65	24.82	21.04
Interest Income	-	0.51	0.43
Dividend Income	0.02	-	0.02
Net Cash inflow/(outflow) in course of operational activities (A)	**(192.858)**	**89.075**	**(228.31)**
Cash Flow arising from Investment activities			
Decrease/(Increase) in fixed assets	(18.29)	(13.61)	(13.12)
Interest Income	-	0.51	0.43
Dividend Income	0.02	-	0.02
Sale of Investment	1.43	0.10	-
Net Cash Flow arising from Investment activities (B)	**(16.834)**	**(13)**	**(12.67)**
Cash Flow arising from financing activities			
Interest Expenditures	(42.84)	(24.41)	(19.78)
Share Application Money	137.50	-	-
Loans	294.73	(12.47)	263.20
Net Cash Flow arising from financing activities (C)	**389.39**	**(36.88)**	**243.42**

Net increase/(decrease) in cash/cash equivalents (A+B+C)	**179.70**	**39.19**	**2.44**
Cash and Cash Equivalents As At the beginning of the year	69.28	30.08	27.62
Cash and Cash Equivalents As At the end of the year	**248.98**	**69.27**	**30.06**
Schedule	**For the year ended June 30, 2010**	**For the year ended March 31, 2009**	**For the year ended March 31,2008**
Cash in Hand	2.14	0.04	**-**
Cheques in Hand	127.50	2.38	**-**
Fixed Deposits	100.44	**-**	**-**
Balances with Banks	18.87	7.01	**-**
	248.96	**9.43**	**-**

As per our attached report of even date

FOR NANGIA AND Co.
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
RAKESH NANGIA	**DEEPTI DABRAL**	**RAVI JOSHI**	**MUKESH JAIN**
FCA, PARTNER, Membership # 070776	**(COMPANY SECRETARY)**	**(DIRECTOR)**	**(DIRECTOR)**

Signed at New Delhi on May 13, 2011

Schedules forming part of Financial statements

SCHEDULE 1: SHARE CAPITAL

Rs. In Millions

PARTICULARS	As at June 30, 2010	As at March 31,2009	As at March 31,2008
Authorized Capital			
10,000,000 Equity Shares of Rs. 10/- each	100.00	100.00	100.00
Issued, Subscribed and Paid up			
3,000,070 Equity Shares of Rs.10/- each fully paid up	30.00	30.00	30.00

SCHEDULE 2: RESERVE & SURPLUS

Rs. In Millions

PARTICULARS	As at June 30, 2010	As at March 31,2009	As at March 31,2008
General Reserve			
Balance as per last balance sheet	7.61	7.61	0.03
Add: Transfer from Profit & Loss	-	-	-
Add: Transfer from Reserve Fund (under RBI Act)	-	-	7.58
Bal. Carried Forward	**7.61**	**7.61**	**7.61**
Reserve Fund (under RBI Act)			
Balance as per last Bal. Sheet	-	-	7.58
Add: Transfer from Profit & Loss	-	-	(7.58)
Bal. carried forward	-	-	-
Profit & Loss Account			
Balance as per last bal. sheet	66.56	45.56	25.48
Add: Balance profit for the year	35.70	21.00	20.08
Balance carried forward	**102.26**	**66.56**	**45.56**
Total	**109.87**	**74.17**	**53.17**

SCHEDULE 3: LOAN FUNDS

Rs. In Million

PARTICULARS	As at June 30, 2010	As at March 31,2009	As at March 31,2008
SECURED LOANS			
Loan from Banks[1]			
-Cash Credit Limits	329.55	84.41	20.42
-Buyers Credit	144.33	23.61	-
-Packing Credit	-	84.34	204.29
Vehicle Loan[2]	21.57	8.37	8.72

(Secured against charge hypothecation of vehicles)			
Loan Against FDR[3]	-	-	9.77
TOTAL	**495.45**	**200.73**	**243.20**

Note:

1. Loans from Punjab National Bank, Shalimar Bagh, New Delhi are secured against Hypothecation of Stocks, Book Debts and movable fixed assets of the company both present and future.
2. Vehicle Loan is secured against Hypothecation of Vehicles.
3. Loan against FDR is secured against lien of investment in Fixed Deposit.

SCHEDULE 4: FIXED ASSETS

As at June 30, 2010

Rs. In Million

Particulars	**Gross block**				**Depreciation**				**Net Block**	
	As at April 01,2009	Addition	Deletions	As at June 30,2010	As at April 01, 2009	For the Period	Deletion	As at June 30,2010	As at June 30,2010	As at March 31, 2009
Computers	1.03	0.47	-	1.50	0.20	0.22	-	0.42	1.08	0.83
Electric Equipment	0.07	-	-	0.07	0.01	0.01	-	0.01	0.06	0.06
Furniture & Fixture	1.78	-	-	1.78	0.04	0.14	-	0.18	1.60	1.74
Leasehold Improvement	4.97	4.06	-	9.03	0.68	3.26	-	3.94	5.10	4.30
Office Equipment	2.56	0.05	-	2.61	0.04	0.23	-	0.27	2.34	2.51
Plant & Machinery	-	0.14	-	0.14	-	0.00	-	0.00	0.14	-
Vehicles	17.19	13.58	-	30.77	1.71	2.64	-	4.35	26.41	15.48
Total	**27.60**	**18.30**	**-**	**45.90**	**2.67**	**6.50**	**-**	**9.17**	**36.73**	**24.92**
Previous Year	*14*	*13.61*	-	*27.60*	*0.27*	*2.41*	-	*2.68*	*24.92*	*13.73*

SCHEDULE 4: FIXED ASSETS

As at March 31, 2009

Rs. In Million

Particulars	Gross block			Depreciation			Net Block	
	As at April 01,2008	Addition	As at March 31,2009	As at April 1,2008	For the Year	As at March 31,2009	As at March 31,2009	As at March 31, 2008
Computers	0.44	0.59	1.03	0.06	0.14	0.20	0.83	0.38
Electric Equipment	0.07	-	0.07	0.00	0.01	0.01	0.06	0.07
Furniture & Fixture	0.02	1.76	1.78	0.00	0.03	0.04	1.74	0.02
Leasehold Improvement	-	4.97	4.97	0.00	0.69	0.68	4.29	-
Office Equipment	0.10	2.46	2.56	0.01	0.03	0.04	2.52	0.09
Vehicles	13.37	3.83	17.19	0.20	1.52	1.72	15.48	13.17
Total	**14**	**13.61**	***27.60***	**0.27**	**2.41**	**2.68**	**24.92**	**13.73**
Previous Year	*0.88*	*13.12*	*14*	*0.08*	*0.19*	*0.27*	*13.73*	*0.80*

SCHEDULE 4: FIXED ASSETS

As at March 31, 2008

Rs. In Million

Particulars	Gross block			Depreciation			Net Block	
	As at April 01,2007	Addition	As at March 31,2008	As at April 1,2007	For the Year	As at March 31,2008	As at March 31,2008	As at March 31, 2007
Air Conditioners	0.09	-	0.09	0.00	0.01	0.01	0.08	0.09
Computers	0.22	0.21	0.44	0.02	0.05	0.06	0.38	0.20
Fax Machine	0.01	-	0.01	0.00	0.00	0.00	0.01	0.01
Vehicles	0.56	12.81	13.37	0.06	0.14	0.20	13.17	0.50
Furniture’s & Mixture	-	0.02	0.02	-	0.00	0.00	0.02	-
Refrigerator	-	0.07	0.07	-	0.00	0.00	0.07	-
Total	**0.88**	**13.12**	**14**	**0.08**	**0.19**	**0.27**	**13.73**	**0.80**
Previous Year	*0.56*	*0.33*	*0.88*	*0.01*	*0.07*	*0.08*	*0.80*	*0.55*

SCHEDULE 5: INVESTMENTS

Rs. In Million

PARTICULARS	As at	As at	As at
	June 30, 2010	March 31,2009	March 31,2008
Trade Investments,(Quoted), at cost Equity Shares (At Cost)	2.08	2.08	2.33
Long Term-Trade, (Unquoted), at cost Mutual Fund (At Cost)	0.50	2.00	-
Short term Investments in Mutual Funds (At cost)			2.00
Investment in subsidiaries	-	-	0.1
Total	**2.58**	**4.08**	**4.18**

SCHEDULE 6: CURRENT ASSETS, LOANS AND ADVANCES

Rs. In Million

PARTICULARS	As at	As at	As at
	June 30, 2010	March 31,2009	March 31,2008
Inventories **(**At lower of cost or market value, as verified by the management)			
Stock in Hand	**264.76**	**115.44**	**265.58**
Sundry Debtors (Unsecured) Debts exceeding six months Other Debts	 36.95 648.81	 64.99 522.76	 60.13
	685.76	**587.75**	**60.13**
Cash and Bank Balances Cash in Hand Cheques in Hand Balances with Scheduled Banks -In Current Accounts -In Fixed Deposit Accounts	 2.14 127.5 18.87 100.44	 1.32 - 0.45 67.51	 1.25 - 18.83 10.00
	248.96	**69.28**	**30.08**
Loans and Advances (Unsecured, Considered Good) Advances Recoverable in Cash or in Kind or For Value to be received Advances to staff Interest Receivable Prepaid Expenses Security Deposits Other Receivables	 87.21 2.10 3.36 0.58 12.26 21.77	 12.56 0.88 0.51 0.24 11.87 28.44	 19.69 0.77 0.30 0.20 0.92 4.15

Income Tax Receivable	6.88	1.02	4.67
	134.16	**55.52**	**30.70**
TOTAL	**1333.64**	**830**	**386.49**

SCHEDULE 7: CURRENT LIABILITIES AND PROVISIONS

Rs. In Million

PARTICULARS	**As at**	**As at**	**As at**
	June 30, 2010	**March 31,2009**	**March 31,2008**
Current Liabilities			
Sundry Creditors			
-Micro Small & Medium Enterprises	-	-	-
-Others	454.66	470.83	28.94
Other Liabilities	2.27	1.38	4.00
Advances from customers	73.70	16.24	13.88
	530.63	**488.45**	**46.82**
Provisions			
Provision for Income Tax	18.72	12.30	11.04
Provision for Wealth Tax	0.35	0.13	-
Provision for Fringe Benefits Tax	-	0.41	0.18
Provision for Gratuity	0.34	0.20	0.09
Provision for Leave Encashment	0.04	0.04	0.03
	19.45	**13.08**	**11.34**
TOTAL	**550.08**	**501.53**	**58.16**

SCHEDULE 8: OTHER INCOMES

Rs. In Million

PARTICULARS	**As at**	**As at**	**As at**
	June 30, 2010	**March 31,2009**	**March 31,2008**
Export Incentives			
Duty Draw Back Received	0.89	3.66	0.65
DEPB Income	0.38	12.42	5.25
FMS Income	0.99	0.54	-
FPS Income	-	8.34	-
Focus Market Incentive Income	0.18	-	-
VKGUY Income	0.11	17.31	-
	2.55	**42.27**	**5.90**
Other Income			
Despatch & Dummerage	-	0.48	0.18
Discount on Purchase	-	0.07	-
Dividend Income	0.03	0.00	0.02
Exchange Gain / Loss	6.60	-	
Interest Income*	4.89*	0.51	0.43
Profit on sale of investment	-	0.01	-

Quality Claim Against Sales	4.43	-	
Income/(Loss) from shares, securities	-		(0.21)
Sundry Balance W/off	2.10	0.52	1.16
Insurance Claim	-	-	0.42
	18.06	**1.59**	**2.00**
TOTAL	**20.61**	**43.86**	**7.91**

***Tax deducted at source Rs.1,003,788 (Previous Year Rs.219,376)**

SCHEDULE 9: ACCRETION/ (DECRETION) IN STOCK

Rs. In Million

PARTICULARS	As at	As at	As at
	June 30, 2010	**March 31,2009**	**March 31,2008**
Closing Stock	264.76	115.44	265.58
Less: Opening Stock	115.44	265.58	73.79
	149.32	**(150.14)**	**191.79**

SCHEDULE 10: PERSONNEL EXPENSES

Rs. In Million

PARTICULARS	As at	As at	As at
	June 30, 2010	**March 31,2009**	**March 31,2008**
Salaries and allowances	3.81	3.68	2.62
Directors Remunerations	1.44	0.55	0.17
Staff Welfare	0.57	0.49	0.44
Gratuity	0.14	0.11	0.09
Leave Encashment	(0.00)	0.02	0.03
Total	**5.96**	**4.84**	**3.36**

SCHEDULE 11: DIRECT EXPENSES

Rs. In Million

PARTICULARS	As at	As at	As at
	June 30, 2010	**March 31,2009**	**March 31,2008**
Brokerage and Commission	2.05	1.93	-
Clearing and Forwarding – Import	5.72	1.05	-
Labour Loading Charges	1.36	0.21	0.70
Packing Material/ Consumable Goods	0.26	-	0.92
Demurrage and Detention	-	-	0.03
Fumigation Expenses	-	-	1.1
Sampling & Supervisions	-	-	1.88
Godown Rent	-	-	3.20
TOTAL	**9.39**	**3.18**	**7.83**

SCHEDULE 12: ADMINISTRATIVE EXPENSES

Rs. In Million

PARTICULARS	As at June 30, 2010	As at March 31,2009	As at March 31,2008
Auditor's Remuneration			
-Audit Fees	0.25	0.17	0.17
-Tax Audit Fees	0.08	0.08	0.08
-Other Matters	0.08	0.08	0.08
Books and Periodicals	-	-	0.01
Business Promotion	0.29	0.68	0.30
Composition of Tax	-	0.09	-
Demand and Penalty	0.44	0.02	0.01
Donations	0.00	0.03	-
Electricity Charges	0.56	0.43	0.12
Festival Exp	-	0.09	0.00
General Exp	0.06	0.19	-
Insurance	0.85	1.42	0.46
Legal & Professional Charges	3.18	1.55	0.68
Listing & Meeting Exp.	-	-	0.02
Fumigation Expenses	0.05	0.49	-
Vehicle running Maintenance	0.58	0.50	0.07
Notices and Advertisement	0.68	0.04	0.03
Office Expenses	0.10	0.15	0.04
Postage & Courier	0.13	0.14	0.06
Printing & Stationery	0.22	0.16	0.14
Prior Period Expenses	-	0.02	0.02
Rent	6.06	4.07	1.55
Repair & Maintenance	0.53	0.31	0.29
Subscription, Fees & Taxes	0.78	0.63	0.06
Telephone, Telex, etc.	0.58	0.50	0.37
Travel & Conveyance	3.55	4.58	2.51
Insurance Claim Receivables W. Off	-	0.43	-
Sampling & Supervision	0.38	1.38	
Profit & Loss on Mutual Fund	0.07	-	-
Profit & Loss on Trading Derivatives	2.66	-	-
Sundry Expenses	-	-	0.05
Sundry Balance W/off	0.01	-	-
Watch & Ward	-	0.04	-
Miscellaneous Expenses	0.03	-	-
TOTAL	**22.20**	**18.27**	**7.12**

SCHEDULE 13: SELLING & DISTRIBUTION EXPENSES

Rs. In Million

PARTICULARS	As at June 30, 2010	As at March 31,2009	As at March 31,2008
Clearing and Forwarding	7.91	45.42	30.71
Brokerage & Commission	-	7.55	3.41
Overseas Freight	6.27	83.01	0.81
Discount and rebate	11.66	0.08	-
Freight (Railways)	-	-	2.06
Agency Charges	-	-	0.05
Total	**25.84**	**136.064**	**37.04**

SCHEDULE 14: FINANCIALS EXPENSES

Rs. In Million

PARTICULARS	As at June 30, 2010	As at March 31,2009	As at March 31,2008
Interest	42.84	24.40	19.78
Bank Charges	23.43	4.65	1.86
Total	**66.27**	**29.05**	**21.65**

SCHEDULE 15: SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES:

a. Nature Operations:

Financial Eyes (India) Limited ('the Company') is engaged in the business of trading in Agri Commodities.

b. Accounting basis and convention:

The financial statements are prepared to comply in all material respects with the mandatory Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on a going concern basis under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

c. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In case of outright sales, the revenue is recognized on dispatch of goods to customers which is incidental to transfer of significant risks and rewards of ownership. Sales are stated net of discounts, rebates and returns. Export sales are recognized on the basis of bill of lading dates and are accounted for at exchange rates as specified in the bill of lading documents. Export incentives have been accounted for on accrual basis.

d. Fixed Assets:

Fixed assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

e. Depreciation:

Depreciation on fixed assets is provided on Straight Line Method based at the rates specified in Schedule XIV to the Companies Act, 1956 or the rates determined as per the useful lives of the respective assets, whichever is higher. Individual assets costing less than Rs. 5,000/- are depreciated at the rate of 100%.

f. Investments:

Investments are stated in accordance with Accounting Standard-13 issued by the Institute of Chartered Accountants of India. Short Term Investments are stated at cost or market value whichever is less. Long Term Investments are stated at cost.

g. Stock In Trade:

Inventories are valued lower of cost or net realizable value. Cost is determined on the basis of first-in-first-out method.

h. Foreign Currency Transactions:

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Nonmonetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

i. Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilative potential equity shares.

j. Taxes on Income:

Income tax expense comprises current tax as per Income Tax Act, 1961, fringe benefit tax and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.

k.Employees Benefits:

Pursuant to the requirements of AS 15 (revised 2005) on “Employee Benefits”, issued by the Institute of Chartered Accountants of India (the standard), which has become effective from April 1, 2007, the Company provided for employee benefits as per the revised requirements of the standard for the current quarter. In respect of the employee benefits up to June 30, 2010, the actuarial valuation is being carried out by the management for the recognition of gratuity and leave encashment liability. Gratuity has been provided on the basis of provisions of gratuity act 1972 and actuarial assumption used by the actuary and leave encashment has been provided on the basis of company policy and actuarial assumption used by the actuary in this regard.

l. Segment Reporting

i. Segment Revenue & Expenses:

Revenue and Expenses have been identified to a segment on the basis of relationship of the operating activities of the segment. Revenue & Expenses which are not allocable to a segment on a reasonable basis have been disclosed as “Unallocable”.

ii. Segment Assets and Liabilities:

Segment assets and segment liabilities represent assets and liabilities in respective segments. Assets and liabilities which cannot be allocated on the reasonable basis have been disclosed as “Unallocable”.

m. Provisions & Contingencies:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

II. NOTES TO ACCOUNTS

1. The previous year figures have been regrouped, rearranged and reclassified wherever necessary to conform to this year's classification. Previous years are not comparable with the current year figures due to change in accounting year.

2. **Share Application Money:**

During the year 2009-10, the Company has received share application money aggregating to Rs. 137,500,000/- from Andaz Mercantile Pvt. Ltd. for allotment of 2,750,000 Warrants on Preferential Basis, which are convertible into equivalent numbers of Equity Shares, at a price of Rs.50/- each (including premium of Rs.40/- each), with in a period of 18 Months from the allotment thereof.

3. **Deferred tax Assets (Liability):**

As per the requirement of the Accounting Standard 22 on “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, the net deferred tax liability debited to Profit during the year 2009-10 is Rs.515,543/- [Year 2008-09 – Deferred Tax Assets credited Rs.696,023/-]. The year-end position of Deferred Tax Liability and Asset is given below:

(Rs. In Million)

PARTICULARS	**AS AT JUNE 30, 2010**		**AS AT MARCH 31, 2009**		**AS AT MARCH 31, 2008**	
a) Deferred Tax Liability						
-Related to Fixed Assets	1.31	0.45	2.17	0.74	1.12	0.38
-Disallowance under the Income Tax Act	-		-	-		
Total (a)	1.31	0.45	2.17	0.74	1.12	0.38
b) Deferred Tax Assets						
Disallowance U/S 40a (ia)	0.01	0.00	0.27	0.09	1.39	0.47
Disallowance U/S 43B	0.91	0.32	-	-	-	-
-Provision disallowed	0.24	0.08	0.24	0.08	0.12	0.04
Total (b)	**1.16**	**0.39**	**0.51**	**0.17**	**1.51**	**0.51**
Net deferred tax asset / (liability) – {(b) – (a) }	**(0.15)**	**(0.05)**	**(1.67)**	**(0.57)**	**0.38**	**0.13**

4. Contingent Liabilities not provided for in respect of:

PARTICULARS	JUNE 30, 2010 Amount (in Million)	MARCH 31, 2009 Amount (in Million)	MARCH 31,2008 Amount (in Million)
a) Claims against the company not acknowledge as debits	NIL	NIL	NIL
b) Corporate guarantees given / securities provided to banks / financial institutions against credit facilities extended to other bodies corporate	NIL	NIL	NIL
c) Bills purchased and discounted	NIL	NIL	NIL
d) Other matters	NIL	NIL	NIL

5. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): Rs Nil (Previous Year Rs. NIL).

6. There are no outstanding dues in respect of small-scale industrial undertakings as defined under clause (j) of section 3 of Industries (Development and Regulation) Act, 1951. (Previous year: Nil).

7. The accounts of certain Sundry Debtors and Creditors, Advances for supplies and are subject to confirmation / reconciliation and adjustment, if any. The Management does not expect any material difference affecting the current year's financial statements. In the opinion of the management, the current assets, loans and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business and provision for all known liabilities have been adequately made in the books of accounts.

8. Earning & Expenditure in Foreign Exchange

PARTICULARS	JUNE 30, 2010 Rs. (In Million)	MARCH 31, 2009 Rs. (In Million)	MARCH 31,2008 Rs. (In Million)
Import of Goods (CIF)	1430.53	362.63	-
Export of Goods (FOB) (Realized Amount)	1014.97	896.47	1085.30

9. Amount paid / payable to Auditors

PARTICULARS	JUNE 30, 2010 Rs. (In Millions)	MARCH 31, 2009 Rs. (In Million)	MARCH 31,2008 Rs. (In Million)
Audit Fees	0.23	0.15	0.15
Tax Audit Fees	0.08	0.08	0.08
Other Matters	0.08	0.08	0.08

10. Earning per share

The computation of earnings per share is set out below:

PARTICULARS	JUNE 30, 2010 (In Rs)	MARCH 31, 2009 (In Rs.)	MARCH 31,2008 (In Rs.)
Profit after tax and extraordinary items as reported	35,699,908	20,997,597	20,083,253
Exceptional Item :			
Loss on insurance claim (net of tax)	-	-	-
Profit before exceptional items	35,699,908	20,997,597	20,083,253
Shares :			
Weighted average number of equity shares outstanding during the year	3,000,070	3,000,070	3,000,070
Earnings per share (before exceptional items (net of tax))	11.90	7.00	6.69
Earnings per share (after exceptional items (net of tax))	11.90	7.00	6.69
	No. of Shares	**No. of Shares**	**No. of Shares**
At the beginning of the year at April 1, 2009	**3,000,070**	**3,000,070**	**3,000,070**
Shares issued during the year	-	-	-
Bonus shares issued during the year	-	-	-
Weighted average number of equity shares at June 30, 2010	**3,000,070**	**3,000,070**	**3,000,070**

11. Managerial Remuneration

PARTICULARS	JUNE 30, 2010 Rs. (In Million)	MARCH 31, 2009 Rs. (In Million)	MARCH 31,2008 Rs. (In million)
Salary	1.44	0.55	0.17
Other Benefits	-	NIL	-

12. Related Party Disclosure:

As per accounting standard 18 on “Related party Disclosure” issued by the Institute of Chartered Accountants of India the disclosure of transactions with the related party is as under-

For the year 2009-10

a. Related Party where control exists
- Mrs. A. Agarwal –Whole Time Director
- Andaz Mercantile Pvt. Ltd. – (Associate Company)

b. Key Managerial Personnel
- Mr. Ravi Kant Joshi – (Director)
- Mr. P. Chowdhary – (Chief Financial Officer)
- Mr. Raja Ram Chandghotia – (Chief Executive Operations)
- Mr. Pradeep Sharma – (General Manager)

c. Transaction with Related Party during the year 2009-10

Rs. (in Million)

Nature of Transaction	Related Party where control exists	Key Managerial Personnel
Expenses :		
Remuneration	1.13	2.08
Advances Received :		
Share Application Money Received	137.50	-

For the year 2008-09

Name of Party	Relationship	Nature of Transaction	Volume of Transaction	Amount Outstanding at on 31-03-09
Girdhari Distributors (P) Ltd.	Subsidiary Company	Sale of Subsidiary (All Shareholding)	105,000	Nil

13. Information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956

PARTICULARS	AS AT JUNE 30, 2010		AS AT MARCH 31, 2009		AS AT MARCH 31, 2008	
	Quantity	Rs. (In Million)	Quantity	Rs. (In Million)	Quantity	Rs. (In Million)
Opening Stock	2623.830 Mts.	115.44	28367.279 Mts.	265.58	4111.870	73.79
Purchase	122266.310 Mts	3669.12			192235.259	2107.29
	136 Nos	1.16	99875.420 Mts	2122.27		
	597196.430 Mts.	39.81				
Sales	119084.590 Mts	3690.32			167402.195	2016.55
	136 Nos	2.11	125320.310 Mts	2462.56		
	597196.430 Mts	38.73				
Adjustments	11.43 Mts	-	298.559	-	577.655	-

			Mts			
Closing Stock	5805.550 Mts	264.76	2623.830 Mts	115.44	28367.279	265.58

14. Information pursuant to the provisions of Section 22 of Micro, Small and Medium Enterprises Development Act, 2006. The company has not paid any interest in terms of the section 18 of the above mentioned act. No principal amount or interest amount are due at the end of each of the accounting year which is payable to any Micro, Small or Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006.

15. Segment Reporting

a. Geographical Segment

The Company has considered Geographical segment as the primary segment for disclosure. The segments considered are Domestic and Overseas

b. Business Segment

The Company has considered business segment as secondary segment for disclosure. Company has identified two segments agriculture product and other products as business segments for reporting and disclosure purpose as per the accounting standard 17.

Segment Information										
Primary Segment								Rupees (In Million)		
Particulars		Domestic			Overseas			Total		
		JUNE 30, 2010	**MARCH 31, 2009**	**MARCH 31, 2008**	**JUNE 30, 2010**	**MARCH 31, 2009**	**MARCH 31, 2008**	**JUNE 30, 2010**	**MARCH 31, 2009**	**MARCH 31, 2008**
a)	**Segment Revenue from** Income from External customers	2795.69	1490.21	931.25	935.46	972.36	1085.30	3731.15	2462.56	2016.55
	Other Income	-	-	-	2.55	42.27	--	2.55	42.27	5.90
	Total Segment Revenue	**2795.69**	**1490.21**	**931.25**	**938.01**	**1014.62**	**1085.30**	**3733.70**	**2504.83**	**2022.45**
	Add: Unallocated Income	-	-	1.80	-	-	-	18.06	1.59	2.00
	Total Segment Revenu	**-**	**-**		**-**	**-**	**-**	**3751.76**	**2506.42**	**2024.45**
b)	**Segment Results**	41.06	20.92	14.55	13.78	14.25	16.95	54.84	35.17	31.51
	Add: Unallocated Income	-	-	-	-	-	-	-	-	-
	Tax Expense (Including Provision for Deferred Tax Liabilities)	14.33	8.43	5.38	4.81	5.74	6.27	19.14	14.17	11.42
	Net Profit after tax	**26.73**	**12.49**	**9.40**	**8.97**	**8.51**	**10.96**	**35.70**	**21**	**20.09**
c)	**Carrying Amount of Segment Asset**	36.72	24.92	13.73	-	-	-	36.72	24.92	13.73

	Add: Unallocated Assets	-	-	-	-	-	-	-	-	-
	Total Assets (Fixed)	**36.72**	**24.92**	**13.73**	**-**	**-**	**-**	**36.72**	**24.92**	**13.73**
d)	**Segment Liabilities**	259.59	298.38	26.86	290.50	203.16	31.30	505.08	501.54	58.16
	Add: Unallocated Liabilities	-	-	-	-	-	-	-	-	-
	Total Liabilities	**259.59**	**298.38**	**26.86**	**290.50**	**203.16**	**31.30**	**550.08**	**501.54**	**58.16**
e)	**Cost to Acquire Tangibles and Intangible Fixed Assets**	**18.29**	**13.61**	**13.12**	**-**	**-**	**-**	**18.29**	**13.61**	**13.12**
f)	**Depreciation and Amortisation Expenses**	**6.49**	**2.41**	**0.19**	**-**	**-**	**-**	**6.50**	**2.41**	**0.19**

Secondary Segment									**Rupees (In Million)**		
	Particulars	**Agriculture Product**			**Other Products**			**Total**		
		JUNE 30, 2010	**MARCH 31, 2009**	**MARCH 31, 2008**	**JUNE 30, 2010**	**MARCH 31, 2009**	**MARCH 31, 2008**	**JUNE 30, 2010**	**MARCH 31, 2009**	**MARCH 31, 2008**
a)	**Revenue from External customer**	3434.94	2490.83	2010.00	298.77	14.00	6.54	3733.71	2504.83	2016.55
b)	**Carrying amount of the assets**	36.72	24.92	13.72	-	-	-	36.72	24.92	13.73
c)	**Cost incurred during the period for acquisition of assets**	18.29	13.61	13.12	-	-	-	18.29	13.61	13.12

16. Employee Benefits

Defined Benefit Plans

The Company has adopted Accounting Standard, AS-15 (revised 2005), on employee benefits with effect from April 1, 2007.

The following table sets out disclosures in respect of defined benefit plans:

(Rs. In Million)

	June 30,2010		March 31, 2009		March 31, 2008	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:						
Obligations as at beginning of the year	0.20	0.04	0.09	0.026	-	-
Service Cost	0.15	0.02	0.11	0.029	0.07	0.02
Interest cost	0.02	0.004	0.01	0.001	-	-
Benefits settled	-	-	-	-	-	-
Actuarial (gain)/loss	(0.02)	(0.02)	(0.016)	(0.016)	0.02	0.001
Obligations as at the end of the Year	0.34	0.04	0.19	0.042	0.09	0.03
Defined benefit obligation liability as at balance sheet date is wholly funded by the Company						
Change in plan assets						
Plan assets as at beginning of the year, at fair value						
Expected return on plan assets	-	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Benefits paid	-	-	-	-	-	-
	-	-	-	-	-	-
Plan assets as at end of the year, at fair value	-	-	-	-	-	-

Reconciliation of present value of the obligation and the fair value of the plan assets:						
Fair value of plan assets, as at end of the year Present value of the defined benefit obligations, as at June	- 0.34	- 0.04	- 0.20	- 0.042	0.58 0.43	- 0.30
(Asset)/Liability recognized in the balance sheet	0.34	0.04	0.20	0.042	(0.15)	0.30
Cost for the Year Current service cost Interest Cost Expected Return on plan assets Actuarial (Gain)/loss	 0.15 0.02 - (0.02)	 0.02 0.00 - (0.02)	 0.12 0.01 - (0.02)	 0.029 0.002 - (0.016)	 0.26 0.02 (0.03) (0.11)	 0.19 0.02 - (0.01)
Net Costs	0.14	(.00)	0.11	0.015	0.14	0.20
Assumptions						
Interest Rate Discount Factor Estimated Rate of return on plan assets Salary Increase Attrition Rate Leave availment in the service Retirement age	7.5% 7.5% 0% 10% - - 60	7.5% 7.5% 0% 10% - - 60	7% 7% 0% 4.5% - - 60	7% 7% 0% 4.5% - - 60	8% 8% 9% 10% 5%-10% (Depending on age) - 58	8% 8% 9% 10% 5%-10% (Depending on age) - 58

DECLARATION

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India or the guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Placement Document is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines issued thereunder, as the case may be. The Company further certifies that all statements in this Placement Document are true and correct.

Signed by:
Deepti Dabral
Company Secretary
Financial Eyes (India) Limited

Date: July 12, 2011

Place: New Delhi

FINANCIAL EYES (INDIA) LIMITED
F-58/1, Okhla Industrial Area,
Phase-1,
New Delhi-110020

BOOK RUNNING LEAD MANAGERS

CORPORATE PROFESSIONALS CAPITAL PRIVATE LIMITED
SEBI Regn No.: INM000011435
D-28, South Extn., Part-I,
New Delhi-110049

AUDITORS TO THE COMPANY

NANGIA & COMPANY
Suite 4A, Plaza M-6,
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