ANNUAL REPORT 2012-13

BE THE CHANGE YOU WANT TO SEE

Financial Technologies

Creating Markets. Unlocking Value.™

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CORPORATE INFORMATION

Board of Directors

- **Jignesh Shah**
  Chairman and Managing Director
- **Dewang Neralla**
- **Manjay Shah**
- **Ravi K. Sheth**
- **P. G. Kakodkar***
- **Chandrakant Kamdar***
- **Ramanathan Devarajan***
- **P. R. Barpande***
- **C. M. Maniar***
- **N. Balasubramanian***
- **T. C. Nair***
- **R. J. Kochar**#
- **Venkat Chary**#
- **A. Nagarajan**##
- **S. Rajendran**###

Management Team

- **Jignesh Shah**
  Chairman & Managing Director
- **Dewang Neralla**
  Whole-time Director - Technology
- **Manjay Shah**
  Whole-time Director - Business Development
- **Paras Ajmera**
  Director - Operations
- **Jigish Sonagara**
  President & Head - Exchange Technology
- **Devendra Agrawal**
  Chief Financial Officer
- **Rajendra Mehta**
  President & Head - Member Technology
- **Prashant Desai**
  President - Investor Relations
- **Miten Mehta**
  President - New Projects

Company Secretary

Hariraj Chouhan
Vice President & Company Secretary

Registered Office

Financial Technologies (India) Ltd.

Shakti Tower-1, 7th Floor, Premises-E,
766, Anna Salai, Thousand Lights,
Chennai, Tamilnadu - 600002.

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Corporate Office

Financial Technologies (India) Ltd.

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info@ftindia.com
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Auditors

Deloitte Haskins and Sells LLP

Share Transfer Agents

Karvy Computershare Private Ltd.

17 to 24, Vittalrao Nagar,
Madhapur, Hyderabad – 500 081,
India.
www.karvy.com

Bankers

- HDFC Bank Ltd.
- Deutsche Bank AG
- Standard Chartered Bank
- Union Bank of India

** Resigned* *# Appointed w.e.f. 10.10.2013* *## Appointed w.e.f. 25.10.2013* *### Appointed w.e.f. 29.11.2013*

BE THE CHANGE YOU WANT TO SEE

India went into economic liberalization in the early 1990s. Ever since, India and Indian economy has been making rapid progress to emerge as one of the fastest growing globally. The reforms have transformed many industries. The Indian financial market place has also transformed. And we have played a leading role in it. With innovation, enterprise and inclusion as the foundation, we have tried to change the future of financial market infrastructure in India. Helping us in this endeavor has been the leading ideal of, **'be the change you want to see.'**

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LETTER FROM CHAIRMAN'S DESK

JIGNESH SHAH | Chairman & Managing Director

It is the quest to '*change for the better*' that leads to innovations which beacon excellence. This is what our aim has been, in all our endeavors. Our outlook as harbingers of change in many areas in the financial market space is a natural corollary to our quest for this very excellence.

Dear Shareholders,

As I set out to write my letter to you, I know that all of you are concerned reading about the challenges that one of your Company's subsidiary viz., National Spot Exchange Ltd. (NSEL) faces. I know these are tough times the Company is facing and Financial Technologies is making all efforts to come out of such situation.

20.71%

Rise in **TOTAL INCOME**

Total Income increased to ₹ 6,574 million, as against ₹ 5,446 million in the previous year, which, in percentage terms, amounts to a rise of 20.71%

27.77%

Increase in **EBITDA**

EBITDA increased by 27.77% to ₹ 4,679 million, as against ₹ 3,662 million in the previous year

20.94%

Rise in **PAT**

PAT rose by 20.94% in the year to ₹ 3,229 million, compared to ₹ 2,670 million in the previous year.

Note: Numbers mentioned are standalone results, excluding Profit on sale/redemption of shares (net).

GLOBAL ECONOMY

We have seen significant political change last year with presidential elections taking place in some of the largest economies of the world such as China, Egypt, France, Mexico, Russia and the United States. Over the course of 2012, economic uncertainty continued with impact on overall business growth prospects. Agreement on a series of tax rise in the US pulled the economy back from the brink of a 'fiscal cliff', but tough negotiations on the debt ceiling and spending cuts remained.

Political deadlock in Japan and deliberations continued in euro-zone with sovereign debt crisis being far from resolved. Emerging economies are growing faster, but challenges persist. In China, new leadership is expected to focus on avoiding the middle-income trap for more sustainable growth. Reforms to further open up the Indian economy to FDIs earlier met some resistance but this is gradually changing. Signs of reforms in Russia were tepid and the government budget remained highly reliant on the price of oil and gas.

Brazil has seen limited growth over the last two years although their interest and unemployment rates had dropped to record lows. The new administration in Mexico has targeted higher growth and greater security. Maritime disputes are threatening to upset relations in South-East Asia, whilst the legacy of the Arab Spring is still reverberating across the Middle-East and North Africa.

The global economy revival has been led with printing of currency and quantitative easing which has fueled surplus liquidity the world over and India has also been a beneficial of the same. However, the rupee depreciation has taken some steam off it, as is the case in all emerging markets. Its interesting to note that the developing economies where the global crisis started in 2008 are showing some signs of growth and emerging economies are seeing tougher times ahead.

INDIAN ECONOMY

The Indian Economy that was amongst the fastest growing globally has been facing several headwinds. The GDP growth has fallen to a low of 4.8% in the quarter ended 31st March 2013*. The interest rate trend which had reversed has once again done a U-turn with the rupee creating havoc and even crossing ₹ 64 at the time of writing this letter. The Indian Economy is facing its toughest challenge since economic liberalization in the early 1990s.

**RBI - Macroeconomic and Monetary Developments First Quarter Review 2013-14, 29th July 2013*

The upcoming elections and the policy paralysis have slowed down significant corporate investment too. With this backdrop, India has a tough couple of years ahead of her.

The Economic Survey 2012-13, presented by Finance Minister P. Chidambaram in the Lok Sabha predicts that the global economy is likely to recover in 2013 and various government measures will help in improving the Indian economy's outlook for 2013-14. The future holds promise for India if there is a shift in national spending from consumption to investment, more job creation and removal of bottlenecks in investments. Some reform measures undertaken are combating inflation with monetary and supply-side measures.

> As national entities – our Exchange ventures encompass all regulatory compliances and are continuously focused on – inclusive growth, investor interests, employment generation and stakeholder engagement.

YOUR COMPANY

In the current state of affairs when challenges persist both in India and globally, your Company has still led initiatives that explore newer opportunities and avenues that help managing market risks better. With domain expertise, vision to create new-generation markets and a potent combination of technology and finance, we have developed high quality financial market infrastructure in India. And we have taken forward India's footprint into fast-growing regions of South-East Asia, Middle-East and Africa. We are the world's largest creator of green-field Exchanges and complementing them with ecosystem ventures that strengthen the scope of these financial markets.

Financial Exchanges and ecosystem ventures create powerful instruments and interventions that not only energize economic growth but ensure sustainability. By means of creating affordable financial market access through new age technologies, we are heralding an era of innovation and excellence for the ecosystem we operate in. The following verticals define our innovative growth models Technology, Exchanges and Ecosystem Ventures.

VERTICALS

Technology, Exchange, Ecosystem

The Technology Vertical encompasses Exchange Solutions, Brokerage Solutions, Connectivity Solutions and Consulting Solutions. Exchange Solutions are highly versatile and cover all aspects of the Exchange operations – from trading to settlement. It is driven by strategic and operational needs to deal with costs and margin pressures, ever-changing business environment and regulatory compliances. The Exchange Technology Division through its Energy Market Management System (EMMS) deployed Energy Solutions at Gulf Co-operation Council Interconnection Authority (GCCIA) in the UAE.

ODIN™, your Company's flagship brokerage solution, continues to be the first choice of every brokerage house in India. ODIN™ integrated with ACE Derivatives and Commodity Exchange – India's newest commodity Exchange that facilitates online trading, and clearing and settlement of commodity futures transactions, and thereby providing a platform for its risk management. This year, ODIN™'s capabilities were enhanced to integrate with new Exchange segments – MCX-SX equity and derivative segments, Universal Commodity Exchange (UCX) commodity futures segment and in primary market for OFS (offer for sale) segment.

This year, ODIN™ Institutional extended to provide various execution-based algorithms and introduced FIX 24x7 functionality that enables the sell-side brokers to accept orders all day from buy-side clients who route orders from different time-zones across the world. Another milestone was the addition of the ODIN™ QDP product suite to enable Qualified Foreign Investors (QFI) to participate in the Indian equity markets. We have also introduced FX-ELITE™ which is an intra-bank online dealing platform facilitating end-to-end automated trading for intra-bank foreign exchange. It is a fully-customizable solution that provides an efficient workflow between the Bank Central Treasury and its Branch Offices, thus allowing the Treasury to expeditiously confirm and execute foreign exchange trading.

This year, your Company introduced STP-Gate™ Debt Market, a messaging solution for the debt market participants to address the challenges faced in non-standardized physical format of contracts. With the launch, your Company has become the first company in India to offer messaging solution to debt market participants. The solution – an internet-based service – will seamlessly interconnect market participants through standardized ISO 15022 messaging.

Our Consulting Solution - ESG added to its services – Datacenter Hosting which is a low latency proximity hosting solution that helps clients to host their servers and connect with various Exchanges efficiently using algorithm trading applications. ESG also added Information Security Awareness Programs that enable secure IT Infrastructure for clients.

Our wide institutional framework of Exchanges and ecosystem ventures formulate a comprehensive market structure not only in India but also globally. In our capacity as an Exchange operator, we believe in fostering good standards of corporate governance which plays a pivotal role in any financial market space.

The diffusion of self-regulation at every level and adoption of code of best practices is visible in our endeavors. As national entities – our Exchange ventures encompass all regulatory compliances and are continuously focused on – inclusive growth, investor interests, employment generation and stakeholder engagement. Our role is to ensure that this has always been in our immediate topical interests and has never been compromised.

In the commodity Exchange space, MCX maintained its leadership position in the Indian commodity markets space. MCX's IPO was adjudged as the 'Best Mid-cap Equity Deal' in Asia-Pacific by Finance Asia Achievement Awards 2012. It also conferred the 'Best Commodity Exchange of the year' award at the Global Cotton Conference.

Our Exchange in the energy segment, IEX continues to be India's first and premier Power Exchange with 95% Market Share and recorded highest ever REC traded in a single trading session in March 2013. The international Exchanges in multiple geographies spread across Asia, Middle-East and Africa namely SMX, GBOT, BFX and Bourse Africa have been growing steadily.

With respect to the ecosystem ventures, NBHC successfully associated with six new banks / institutions this year.

Your Company's standalone financials* for the year ended 31st March 2013 are as follows:

OPERATING REVENUES*

Total Income increased to ₹ 6,574 million, as against ₹ 5,446 million in the previous year, which, in percentage terms, amounts to a rise of 20.71%

EBITDA increased by 27.77% to ₹ 4,679 million, as against ₹ 3,662 million in the previous year.

PAT rose by 20.94% in the year to ₹ 3,229 million, compared to ₹ 2,670 million in the previous year.

Your Company has since last 29 consecutive quarters declared and paid dividend to its Shareholders. During the year, your Company has declared and paid three interim dividends of 100% each (₹ 6/- per share on par value of ₹ 2/- per share) to its shareholders and a final dividend of 100% (₹ 2/- per share) recommended will be paid subject to the approval of Shareholders at the ensuing Annual General Meeting.

**Numbers mentioned are standalone results, excluding profit on sale/redemption of shares (net).*

GROUP BUSINESS HIGHLIGHTS

Along with technological competences and domain expertise, your Company is today the world's largest creator of green-field Exchanges and complementing them with ecosystem ventures that strengthen the scope of financial markets. Its wide institutional framework of Exchanges and ecosystem ventures formulate a comprehensive market structure not only in India but also globally.

In the commodity Exchange space in India, **Multi Commodity Exchange (MCX)** recorded its highest daily turnover since inception of ₹ 1,199.41 billion. MCX launched Kapasia Khalli contract and also Silver 1,000 contracts which witnessed a record delivery of 1,010 kg in the year. MCX also won the 'FOW Award' for its Gold Petal Futures Contract under the most innovative new contract launched by an Exchange in the metals category at the FOW Awards for Asia 2012 organized at Singapore.

Indian Energy Exchange (IEX) successfully completed five years and is India's preferred electricity trading platform with nationwide reach covering 101 Members and over 2,500 active clients registered as on 31st March 2013 (over 500 private generators and over 1,800 direct consumers). It also witnessed the highest ever traded volume in Electricity Market in a year – over 22 Billion Units (kWh). IEX bagged '6th Enertia Award' as 'Best Power Exchange in India' and the PowerLine Award as 'Best Performing Power Exchange' this year. It also received India Power Award of the 'Best E-enabled Consumer Platform'.

Singapore Mercantile Exchange (SMX) inked an MOU with AFET for global joint development of Futures Trading and partnered with Temasek Polytechnic to build capabilities in commodity and currency derivatives trading and processing. SMX won three Awards at 'FOW Awards for Asia 2012'.

Bahrain Financial Exchange (BFX) became a member of the Bahrain Association of Banks (BAB). It successfully conducted several corporate social responsibility (CSR) educational workshops titled "Understanding the Financial Derivatives Markets from Theory to Practice" for university students in the Kingdom of Bahrain.

Global Board of Trade (GBOT) collaborated with the University of Technology, Mauritius, to promote education on Financial Markets which would enable students and professionals to learn the practical aspects of financial markets through workshops, certification courses and simulation on GBOT markets. GBOT also conducted over 50 EDGE Workshops with in-house and external experts within the Financial Sector. EDGE is the knowledge and education initiative of GBOT titled "Empowerment & Development through 'Global financial markets' Education" (EDGE).

With respect to the ecosystem ventures, **National Bulk Handling Corporation (NBHC)** successfully associated with six new banks / institutions this year namely, Central Bank of India, L&T Finance Holdings, Hadoti Kshetriya Gramin Bank, J&K Bank, Dombivli Nagari Sahakari Bank and Ratnakar Bank.

Among other notable developments, **TickerPlant Ltd. (TPIL)** incorporated new functionalities in its product offerings with commissioned enhancements in decision support tools, pivot point analytics and technical indicators such as Ichimoku and smoothened RSI. It has seamlessly integrated MCX-SX Cash and F&O segments, and ACE Exchange.

Financial Technologies Knowledge Management Company (FTKMC) successfully conducted nationwide training programs as also extensive content development for the financial markets. During the year FTKMC unveiled a special diary providing comprehensive views on Corporate Governance, including Strategy, M&A, Regulations, and Financial Statement presentation. It has also represented on 'Rethinking Governance' the 31st SKOCH Summit at New Delhi, and executed a project on drawing a roadmap for knowledge management undertaken for Capital Market Authority, Saudi Arabia, and a study on Financial Services Outsourcing for GIZ, as a part of its project Sino-German Tianjin Modern Financial System Development Project, China.

atom Technologies acquired 600+ merchants this year and processed more than 5.5 million transactions worth ₹ 3,396 crore. It tied up with banks for integrating their Internet Banking Gateway on atoms' 'PAYNETZ' Solution and entered tie-ups with several leading government/PSU customers for payment services. It has, also, collaborated with leading education institutions to facilitate sale of application forms and collection of fees from their students.

THE YEAR AHEAD

The year 2012 has, indeed, been vital in shaping our modus operandi for 2013, given the volatile macro economy and changing market landscape. The slightly weaker global outlook will continue to be a challenging economic environment to operate in. Notwithstanding the transitioning emerging economies, we remain steadfast in our mission to continually innovate to surpass our own benchmark and achieve long term sustainable growth. Having completed an assessment of past year, we plan to continue product development and adding more tech-driven solutions serving our clients. Our focus will continue to imbibe market best practices, develop SMEs and bring technology in our day-to-day processes. We aim to continue to ensure highest returns for shareholders while blending social interest with inclusive growth.

Your Company will continue to pursue its business strategy to identify and invest in quality assets with an objective of generating higher returns on investments over medium to long term. While doing so, your Company will ensure the standards of corporate governance are comparable to the best in the world. As our theme goes we are passionately working towards building a new breed of leadership that will inspire, galvanize and edify our very fabric of the society.

JIGNESH SHAH
Chairman & Managing Director

OVERVIEW

Financial Technologies (India) Ltd. is a global leader in offering technology IP (intellectual property) and domain expertise to create next-generation financial markets that are transparent, efficient and liquid, across asset classes including equities, commodities, currencies and bonds. The Company is a pioneer in introducing end-to-end Straight-Through-Processing solutions that support high density transactions.

Financial Technologies has a unique business model integrating its domain knowledge of end-to-end IT-enabled transaction and Exchange Technology to create and operate Exchanges and ecosystem ventures. Financial Technologies is the world's largest creator of green-field Exchanges that connect the fast-growing economies of Africa, Middle-East and Southeast Asia. Our business model of setting up and operating efficient markets (Exchanges) is well supported by ecosystem ventures that bring long-term sustainability and robustness in creating value for all its stakeholders, be it market participants, intermediaries or end-users.

Under the Exchange Vertical, Financial Technologies provides transaction opportunities that are transparent and well-regulated, providing mark-to-market valuation, clearing house guarantee, fungibility of deliveries and higher liquidity without associated counter party risks. It also provides the opportunity for cross-listing, margin credits, carry-forward positions across Exchanges, enables hedging and creates easy liquidity across connected markets around the world.

Financial Technologies, Ecosystem Vertical addresses upstream and downstream opportunities to support its Exchanges, including clearing and depository, information dissemination, warehousing and collateral management, payments processing and financial market education, among others.

TECHNOLOGY VERTICALS

Exchange Solutions

DOME

POWER ARMS™ Automated Risk & Matching System

CnS

FOVEA™ Surveillance & Monitoring System

Brokerage Solutions

ODIN™

NeT.net™

iWin™

Match™

Messaging Solutions

STP-Gate™

Consulting Solutions

ESG NURTURING BUSINESS

EXCHANGE VERTICALS

Commodity

MCX METAL & ENERGY Trade with Trust

Futures

National Spot Exchange Electronic Spot Market

Spot

International Multi-Asset Exchanges

GBOT Global Board of Trade

Mauritius

SMX Singapore Mercantile Exchange Where the world trades

Singapore

BOURSE AFRICA African Markets. Global Opportunities.

Botswana

BFX Multi-Asset trading one market Bahrain Financial Exchange

Bahrain

DGCX Dubai Gold & Commodities Exchange

Dubai

Energy

IEX INDIAN ENERGY EXCHANGE India's No.1 Power Exchange

Forex Spot

IBSFOREX

ECOSYSTEM VERTICALS

Commodity & Collateral Management

NBHC National Bulk Handling Corporation Ltd. Adding Value to Commodities

Payments Processing

atom the 'new way' to pay

Digital Information Broadcasting

Ticker Bridging the Information Divide

Knowledge Training

FTKMC FINANCIAL TECHNOLOGIES KNOWLEDGE MANAGEMENT CO.

PRODUCT OVERVIEW

Financial Technologies (India) Ltd. (FTIL) is a global leader in creating and operating technology-centric, next-generation financial markets that are transparent, efficient and liquid, across multi asset classes, including equities, commodities, currencies and bonds, among others. Its highly robust and scalable Exchange and trading technology, coupled with deep domain expertise, gives it a decisive edge in driving mass disruptive innovation that is unmatched in financial markets. This uniquely positions FTIL as the creator of electronic, organized and regulated financial markets for new asset and investor classes that are either under-served or economically unviable to be served by traditional markets.

FTIL's trading technology offerings can be broadly classified into **Exchange Solutions, Brokerage Solutions, Connectivity Solutions, Messaging Solutions** and **Consulting Solutions.**

EXCHANGE SOLUTIONS

	MARKETS				
PRODUCTS	Commodity	Equity	Currency	Fixed Income	Energy/Power
DOME	■	■	■	■	■
CnS	■	■	■	■	■
FX-Direct™	□	□	■	□	□
FOVEA™	■	■	■	■	□
Risk Management	■	■	■	■	□
TRADEDART™	■	■	■	■	■
MarketXstream™	■	■	■	■	□
DMATS™	■	■	□	■	■
PowerARMS™	□	□	□	□	■
TSO	□	□	□	□	■
eRegistry	□	□	□	□	■
ECS	■	■	■	■	■

■ Available □ Not Available

BROKERAGE SOLUTIONS

PRODUCTS*	MARKETS: Commodity	Equity	Currency
FRONT OFFICE			
ODIN™	■	■	■
ODIN™ Institutional	□	■	■
ODIN™ Diet	■	■	■
NeT.net™	■	■	■
iWin™	■	■	■
iWin™ Touch	■	■	■
ODIN™ Program Trading	■	■	■
ODIN™ Greek Neutralizer	□	■	■
ODIN™ Advanced Charting	■	■	■
ODIN™ ATS	■	■	■
ODIN™ Atlas	■	■	■
MIDDLE OFFICE			
Protector™	■	■	■
BACK OFFICE			
e-Hastakshar™	■	■	■
MATCH™	■	■	■

CONNECTIVITY SOLUTIONS

FTNET	□	■	■

MESSAGING SOLUTIONS

STP-Gate™	□	■	□

■ Available □ Not Available

CONSULTING SOLUTIONS

ESG	IT Consultancy	Process Consultancy	Quality Assurance	Facility Management

Over and above major domestic markets, ODIN™ and Match™ support international Exchanges – ADX (Abu Dhabi), DFM (Dubai), DGCX (Dubai), Tadawul Stock Exchange (Saudi Arabia), SMX (Singapore) and GBOT (Mauritius)

**Availability of the above Products is subject to regulatory approvals, if any.*

COMPANY PROFILE

FINANCIAL TECHNOLOGIES (INDIA) LTD. (FTIL)

From MULTIPLE TRADING TERMINALS

The Indian financial markets have evolved significantly. India was one of the first globally to lead in electronic trading of equities across its Exchanges. Then came multiple commodity Exchanges, followed by energy and currency. Indian investors embraced these new asset-classes into their portfolios. The brokers who offered only equities, commenced offering multiple asset-classes. Imagine a dealing room with trading terminals of varied asset-classes, various market participants and several Exchanges — BSE, NSE, MCX, NCDEX, MCX-SX, etc. and the complexity that came with it. In trading. In risk management.

Enter Financial Technologies (India) Ltd. (FTIL).

FTIL brought for the first time — the power of multi-asset trading on a single application through ODIN™ — a robust and reliable trading solution — that enabled traders to transact across multiple Exchanges and multiple products on a single platform. ODIN™ created a nationwide heterogeneous network of trading terminals reaching thousands of towns and cities facilitating market access to multiple Exchanges and empowering brokerage houses.

Subsequently, FTIL developed a host of solutions that cater to equity, treasury, forex, commodity, derivatives, debt and depository segments covering all stages of a trade life cycle to deliver single-point transaction fulfillment. Thus, it delivered mission critical applications with high reliability in one of the fastest evolving financial markets of India. It emerged as the preferred technology partner for deploying straight through processing (STP) solutions for the technology-intensive financial services sector. FTIL was one of the first technology providers in the Indian financial market space to offer real-time connectivity to Exchanges with faster inter-segment trading and an integrated back-office system.

With its Exchange Technology Solutions, FTIL addressed vital prerequisites for Exchanges — providing scalable architecture allowing business expansion and offering comprehensive risk management. FTIL provided integrated solutions which are scalable, easy to maintain and matched the foreseen and unforeseen requirements of Exchanges to efficiently manage their fast-growing transaction volumes. FTIL facilitated change within the financial services industry and revolutionized the financial marketplace by the creation of a single global network.

Financial Technologies
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www.ftindia.com

To ONE SCREEN FOR ALL

KEY MILESTONES DURING FY 2012-13

- Keeping in pace with growing needs of the market, FTIL equipped its Exchange Technology Solutions to cater newer asset classes viz. Equity, Equity Derivatives, Currency Options recently launched at MCX-SX. Additionally, FTIL successfully implemented 'TSO Workflow Management System' at IEX.
- FTIL's Exchange Technology Division implemented its Energy Market Management System (EMMS) for Gulf Co-operation Council Interconnection Authority (GCCIA).
- Maintained leadership position with brokerage technology solutions in domestic retail and institutional space. With enhanced capabilities ODIN™ integrated with new Exchange segments — MCX-SX equity and derivative segments, Universal Commodity Exchange (UCX) commodity futures segment and in primary market for OFS segment.
- ODIN™ Institutional extended to provide Execution-based Algorithms, Block Release and IOI (Indication of Interest) functionality with 24x7 order acceptance catering clients of different time-zones across the world.
- Introduced ODIN™ QDP* to enable Qualified Foreign Investors (QFI) to participate in the Indian equity markets and STP-Gate™ Debt Market*, a messaging solution for the debt market participants to address the challenges faced in non-standardized physical format of contracts. Also introduced 'FX-ELITE™'* to provide an automated electronic trading platform for intra-bank dealing of foreign exchange between the Central Treasury and its branches.

These products are in the process of development, deployment and implementation

PRODUCTS & SERVICES

- Exchange Solutions
- Brokerage Solutions
- Messaging Solutions
- Connectivity Solutions
- Consulting Solutions
- Banking Risk & ADF Solutions

INSTITUTIONAL ALLIANCES/MEMBERSHIP/ASSOCIATIONS

- Partner – IBM under SVI and SVP programs
- Memberships – FICCI, CII, NASSCOM, CMAI, DSCI, IMC
- Strategic Alliances – Microsoft, HP, Juniper, CISCO, Dell, APC, Stratus

CERTIFICATION, AWARDS & RECOGNITION

- FTIL received its ISO 20000:2011 certificate and is amongst the first 50 organizations in India and the first 600 organizations world-wide to attain this certification
- FTIL due to its well-defined and quality-proven processes also received its ISO 14001:2004 certificate
- FTIL's STP-Gate™ nominated and won the SKOCH Digital Inclusion Award 2012 in innovations category
- FTIL consecutively featured in the American Bankers FINTECH 100 Rankings for 2011 and 2012

GLOBAL PRESENCE

CORPORATE OFFICE

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EXCHANGE VENTURES

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Indian Energy Exchange Ltd.
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Dubai Gold & Commodities Exchange
Emaar Business Park, Bldg No. 2,
Level 1, Sheikh Zayed Road,
P. O. Box 37736, Dubai, UAE.
T: +9714 361 1616
F: +9714 361 1617
info@dgcx.ae
www.dgcx.ae

ECOSYSTEM VENTURES

National Bulk Handling Corporation Ltd.
9th floor, Everest Nivara Infotech, Plot
No. D-3, TTC Industrial Area, Turbhe,
MIDC, Navi Mumbai - 400 705.
T: +91 22 3063 1000
F: +91 22 3063 1010
info@nbhcindia.com
www.nbhcindia.com

atom Technologies Ltd.
FT Tower, CTS. 256 & 257,
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093.
T: +91 22 6686 4010
F: +91 22 6686 4050
info@atomtech.in
www.atomtech.in

TickerPlant Ltd.
FT Tower, CTS. 256 & 257,
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093.
T: +91 22 6686 6010
F: +91 22 6686 6050
info@tickerplantindia.com
www.tickerplantindia.com

FT Knowledge Management Company Ltd.
FT Tower, CTS No. 256 & 257,
Suren Road, Chakala, Andheri (East),
Mumbai - 400 093.
T: +91 22 6686 1010
F: +91 22 6686 6050
info@ftkmc.com
www.ftkmc.com

FINANCIAL HIGHLIGHTS

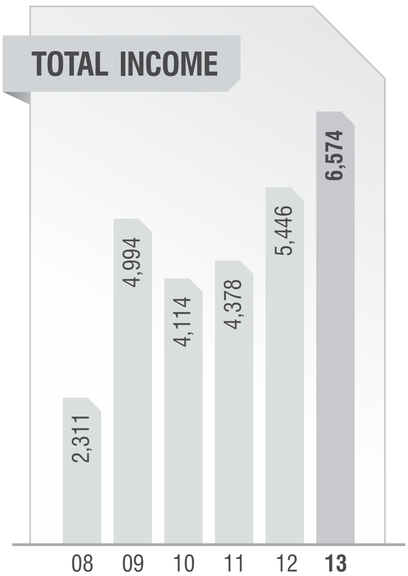
6 YEARS AT A GLANCE | Standalone

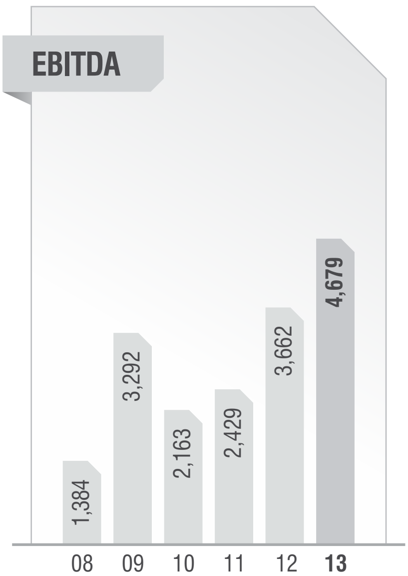
Financial Performance
(Excluding profit on sale/redemption of shares (net), diminution in long term investment and exceptional items)

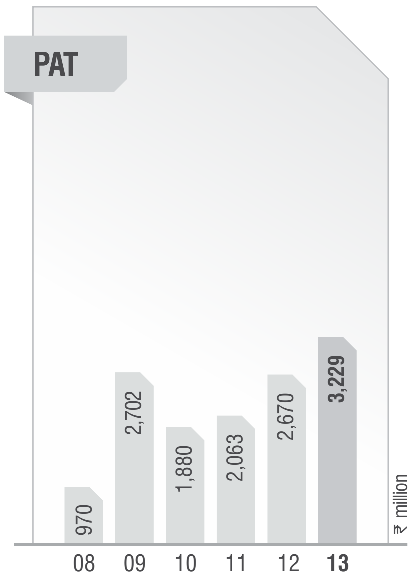
₹ million

For the Financial Year Ended	2008	2009	2010	2011	2012	2013
Total Income	2,311	4,994	4,114	4,378	5,446	**6,574**
EBITDA	1,384	3,292	2,163	2,429	3,662	**4,679**
Profit After Tax	970	2,702	1,880	2,063	2,670	**3,229**

FINANCIAL PERFORMANCE | Standalone







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DIRECTORS' REPORT

ADDENDUM NO. 2 TO DIRECTORS' REPORT

Dear Shareholders,

The Statutory Auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants have submitted their Audit Report, dual dated May 30, 2013 / November 29, 2013, on the Standalone Financial Statements of the Company for the year ended March 31, 2013, including the Supplementary Notes which are an addendum to the accompanying notes 1 to 48 to the Standalone Financial Statements. Accordingly, the Board of Directors (Board) at its meeting held on November 29, 2013 discussed, considered and approved this Addendum No. 2 to Directors' Report dated July 30, 2013, which was earlier circulated to you as part of Annual Report 2012-13.

The Directors' Report and the Addendum No. 1 to the Directors' Report dated July 30, 2013 and August 22, 2013 respectively as circulated earlier, shall now be read in conjunction with this further Addendum No. 2 to the said Directors' Report (collectively Directors' Report) and shall be treated as forming part of Annual Report 2012-13.

Your Directors would like to inform you that the Consolidated Financial Statements of your Company are yet to be finalized considering the developments with regard to National Spot Exchange Limited (NSEL). Therefore, wherever references of Consolidated Financial Statements or matters related thereto are stated in the Directors' Report, the same shall stand deleted.

Your Company, apart from being a leading technology provider, has developed and set up several successful exchanges. NSEL, one of the subsidiaries of the Company, which has come under recent controversy, is yet to finalise its Financial Statements for the year ended March 31, 2013. In the interest of approx. 72,000 shareholders and stakeholders of the Company, it was discussed and decided to circulate to the members Standalone Financial Statements of the Company along with the supplementary notes to Financial Statements and statement under section 212 excluding details of NSEL and its subsidiaries. Therefore, in the larger interest of all its stakeholders, the Board has taken the decision to announce Standalone Financial Statements, so that you are not deprived from the financial information of the Company.

Certain information in the Directors' Report given on page no. 27 onwards of Annual Report 2012-13 shall be replaced and substituted with the following paras and to be read as under:

FINANCIAL PERFORMANCE

The Column of Consolidated Financial Statements appearing in the Directors' Report on Page 27 of Annual Report 2012-13 shall stand deleted.

(₹ in million, except per share data)

Particulars	Standalone Current Year 2012-13	Standalone Previous Year 2011-12
Total Income	6,574.21	7,944.07
Total Operating Expenditure	1,895.71	2,172.10
EBITDA	**4,678.50**	**5,771.97**
Interest	428.37	304.42
Depreciation/amortization	225.40	173.01
Profit before tax	**4,024.73**	**5,294.53**
Provision for taxation	795.92	514.24
Profit after Tax/Net Profit for the year	**3,228.81**	**4,780.29**
Add: Balance brought forward from previous year	17,951.35	14,125.49
Balance available for appropriation	21,180.16	18,905.78
Appropriations		
Final dividend (proposed)	92.16	92.16
Interim dividend	276.47	276.47
Tax on dividend	60.51	59.80
Transfer to General Reserve	325.30	526.00
Balance carried forward to Balance Sheet	20,425.72	17,951.35
Earnings per share		
Basic	70.07	103.74
Diluted	69.48	103.74

RESULTS OF OPERATIONS:

The para on the Consolidated Financial Statements appearing in the Directors' Report (page no. 28 of the Annual Report 2012-13) shall stand deleted.

Standalone Financials

There is no change in Standalone Financial Statements for the year ended March 31, 2013 of your Company as circulated earlier, except supplementary notes have been added to the Standalone Financial Statements. Accordingly, your Directors are reproducing the para relating to the Standalone audited Financial Statements as mentioned in the Directors' Report:

- The total revenue from operations for the year ended March 31, 2013 was recorded at ₹ 4,509 million as compared to ₹ 4,255 million for the year ended March 31, 2012, an increase of 6%.
- The standalone profit after tax (excluding profit on sale/redemption of shares (net) and diminution in long term investments) increased by 21% to ₹ 323 crores from ₹ 267 crores for the year ended 31st March 2012.

QUALIFICATIONS IN AUDIT REPORT ON STANDALONE FINANCIAL STATEMENTS

The qualifications made by the Statutory Auditors in their Independent Auditors' Report dated November 29, 2013 on the Standalone Financial Statements for the year ended March 31, 2013 and the management responses are as under:-

A) Pursuant to the developments relating to NSEL, the management of NSEL, by their letter dated September 20, 2013, communicated to its auditors and the Company that it was not possible for NSEL to immediately ascertain the financial implications (with respect to, inter alia, the various irregularities in the operations of NSEL coming to light, agencies looking at the legality of contracts and warehouse receipts and income booked by NSEL therefrom, ongoing investigations and forensic audit) and whether its books and records presented as of 31st March, 2013 are true and fair and what adjustments need to be carried out with a view to present a correct financial position. Consequently, the auditors of NSEL and its subsidiary, Indian Bullion Market Association Limited (IBMA), in which NSEL has 60.88% equity ownership, citing various developments, investigations and audits relating to NSEL, have communicated to NSEL and IBMA, by their letters dated September 21, 2013, that the standalone and consolidated financial statements of NSEL and the standalone financial statements of IBMA for the year ended 31st March, 2013 and their audit reports dated May 17, 2013 and May 16, 2013 on the said financial statements of NSEL and IBMA, respectively, are no longer to be relied upon.

B) Basis for Qualified Opinion and Management Response:

I. As stated in Supplementary Note 1 to the financial statements (as amended) by the Management of the Company, the quantum of diminution, if any, in the value of long term investments in NSEL cannot be ascertained as at March 31, 2013 or at the date on which the Financial Statements of the Company were approved by the Board of Directors i.e. on May 30, 2013, and accordingly no provision was considered necessary by the Management towards diminution in the value of the Company's long-term investment in NSEL of ₹ 4,499.99 lacs as at March 31, 2013.

In view of the developments relating to NSEL, which represent a subsequent discovery of facts existing on the date of the Balance Sheet, in our opinion, there are indications of 'other than temporary' diminution in the carrying amount of the Company's investment in NSEL as at March 31, 2013. However, in the absence of the audited Financial Statements of NSEL for the year ended March 31, 2013 (refer Paragraph A above), non-availability of estimation of future cash flows and earning capacity of NSEL and suspension of NSEL's operations, we have not been able to obtain sufficient appropriate audit evidence to determine the amount of provision that would need to be made for diminution in the carrying amount of the Company's investment in NSEL of ₹ 4,499.99 lacs as at March 31, 2013, in accordance with Accounting Standard (AS) 13, 'Accounting for Investments'.

Management Response:

As on March 31, 2013, your Company had an investment amounting to ₹ 4,499.99 lacs (Previous Year ₹ 4,499.99 lacs) in NSEL. The situation of NSEL was unearthed only at the end of July 2013 after the Financial Statements of the Company were finalised and approved by the then Board of Directors on May 30, 2013. NSEL is still undergoing various enquiries and adjudications by the regulatory authorities. It is pertinent to mention that the investment made by the Company is strategic and long term in nature. Consequently, this investment has been carried at its cost in your Company's Financial Statements in accordance with Accounting Standard (AS) -13, Accounting for Investments. Therefore, the quantum of diminution, if any, in the value of such long term investments in NSEL cannot be ascertained as at March 31, 2013 or at the date on which the Financial Statements of the Company were approved by the then Board of Directors on May 30, 2013. Accordingly, no provision was considered necessary by the Management towards diminution in the value of the investments as at March 31, 2013. The Board, if required, will take cognizance of the need to consider the quantum of diminution, if any, during the subsequent financial year(s) / period.

II. As stated in Supplementary Note 2 to the financial statements (as amended), the Company has recognised income of ₹ 3,452.00 lacs from NSEL during the year ended March 31, 2013 from rendering of various services to NSEL, which includes a variable component of ₹ 2,927.60 lacs. As on March 31, 2013, the total amount receivable from NSEL on this account was ₹ 2,489.27 lacs, which has been realized subsequently in the financial year 2013-14.

The above variable component comprises:

a. revenue of ₹ 2,841.46 lacs towards software maintenance and support services derived on the basis of the underlying revenue recognized by NSEL on account of "transaction fees, delivery charges, warehouse receipt transfer charges for trading, settlement and delivery activities" for the year ended March 31, 2013, pursuant to agreements/contracts, and

b. revenue of ₹ 86.14 lacs towards business support services derived on the basis of the underlying gross profits earned on the merchandising activities by NSEL for the year ended March 31, 2013.

However, as stated in Paragraph A above, the management of NSEL have communicated that they are not in a position to determine whether its books and records presented as of March 31, 2013 are true and fair and what adjustments needs to be carried out with a view to present a correct financial position due to, inter alia, the various irregularities in the operations of NSEL coming to light, agencies looking at the legality of contracts and warehouse receipts and income booked by NSEL therefrom, ongoing investigations and forensic audit. Further, the auditors of NSEL, citing various developments, investigations and audits relating to NSEL, have also communicated that the financial statements of NSEL for the year ended March 31, 2013 and their audit reports thereon are no longer to be relied upon.

In view of our aforesaid comments and in the absence of sufficient appropriate audit evidence, particularly, in the absence of the audited Financial Statements of NSEL for the year ended March 31, 2013, which we could place reliance on to validate the underlying elements of revenue and gross profits of NSEL based on which the above mentioned variable component of revenue has been derived and accounted for by the Company, significant uncertainty exists regarding the amount of the consideration that could be derived from rendering the service and, hence, we are unable to determine the extent to which the above mentioned revenue aggregating ₹ 2,927.60 lacs should be de-recognized and postponed by the Company, in compliance with the recognition and measurement principles stated in Accounting Standard (AS) 9, 'Revenue Recognition'.

Management Response:

During the year ended March 31, 2013, your Company has earned Income of ₹ 3,452.00 lacs from NSEL which constitutes 5.25% of the standalone total income of the Company. This includes amounts aggregating ₹ 2,927.60 lacs variable fees derived from certain components as mentioned in sub paragraph 'II' above. Your Company has paid the applicable taxes on the amount (including service tax, etc.) based on invoices towards services raised to NSEL.

As on March 31, 2013, total amount receivable from NSEL was ₹ 2,489.27 lacs, which has been realized subsequently in the financial year 2013-14 and, as on date, there is no amount outstanding against the same.

The above income was recognized as per the contractual terms on accrual basis and there was no uncertainty with respect to realizability of the aforesaid amount as on March 31, 2013 or on the date on which the Financial Statements were approved by the Board and, hence, the same is accounted as income.

As of date, there have been no claims by NSEL nor has any dispute been raised in connection with the amounts paid to your Company for the Services provided by your Company during the financial year 2012-13. In view of the above, no provision was considered necessary by the Management as on March 31, 2013 for such Income from NSEL.

III. As stated by the Management of the Company in Supplementary Note 5 to the financial statements (as amended), there are writ petitions, Public Interest Litigations, civil suits filed against NSEL wherein the Company has been made a formal party in the writ petitions and civil suits and the matters are pending adjudication. In addition, there is a First Information Report registered, inter alia, against the Company with the Economic Offences Wing (EOW). Further in the said Supplementary Note 5 to the financial statements (as amended), the Management of the Company has, based on its interpretation, understanding and assessment as described therein, stated that at this stage there are no direct ascertainable financial claims against the Company, and hence the direct financial implications on the Company, if any, that may arise due to the matters relating to NSEL cannot be ascertained. In this regard, the Management and those charged with governance have represented to us that other than as stated in said Supplementary Note 5 to the financial statements (as amended), there are no claims/litigations/potential settlements involving the Company directly or indirectly, which require adjustments to / disclosures in the financial statements (as amended).

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on these financial statements (as amended).

Management Response:

There are some writ petitions, Public Interest Litigation (PIL), civil suits filed against NSEL, wherein, the Company has also been made a formal party in these writ petitions and civil suits, being the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. In addition, there is a First Information Report (FIR) registered against various parties, including the Company, with the Economic Offences Wing of the Mumbai Police. Your Company is a separate and independent legal entity and, as such, has no responsibility or liability whatever towards the dues of or claims against NSEL.

The writ petitions and civil suits are primarily against the various defaulting members of NSEL, failing which the claim has been made against NSEL as guarantor and failing which against other parties including your Company. Therefore, at this stage, there are no direct ascertainable financial claims against your Company, and, hence, direct financial implications on the Company, if any, that may arise due to ultimate payment default on NSEL cannot be ascertained.

IV. The matters stated above could also have a consequential impact on the measurement and disclosures of information provided under, but not limited to, managerial remuneration, provision for tax, cash flow statement, segment information, related parties and earnings per share for the year ended March 31, 2013, in these financial statements (as amended).

Management Response:

As explained in the above said Management reply, the quantum of consequential impact for matters referred in sub paragraphs I and II in the qualifications does not arise as the Management is of the view that there was no impairment/revenue revision of the Company as of the Balance Sheet date March 31, 2013. With respect to sub paragraph III, the Management response has been explained in sub paragraph III.

Qualification in Annexure to Audit Report on the matters specified in paragraphs 4 & 5 of the Companies (Auditors' Report) Order, 2003.

V. To the best of our knowledge and according to the information and explanations given to us, except for the matters arising from NSEL as described in the Supplementary Notes 5, 9 and 12 to the financial statements (as amended) and the matters described in the Basis for Qualified Opinion in paragraph III above on which we are unable to comment at this stage, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

Management Response:

Supplementary Notes 5, 9 and 12 to the financial statements are self-explanatory. Please refer page nos. 117 to 122.

C. Emphasis of Matter:

We draw attention to Note 37 to the financial statements (as amended) regarding investments made in certain subsidiaries (which exclude NSEL and its subsidiaries – refer paragraph 'B I' above) and a joint venture which have accumulated losses and the loans and advances to / receivables from these entities, where the provision made for diminution, other than temporary, in the value of investments is considered to be adequate by the Management of the Company for the reasons stated in the said Note.

Our opinion is not qualified in respect of this matter.

Management Response:

As at March 31, 2013, the Company's investments aggregating ₹ 49,090.30 lacs (Previous Year ₹ 48,045.31 lacs) in and Loans and advances to / receivables from aggregating ₹ 49,003.84 lacs (Previous Year ₹ 26,403.73 lacs) certain subsidiaries and a joint venture company, which presently have accumulated losses, [share of aggregate losses till March 31, 2013 ₹ 87,082.53 lacs (Previous year ₹ 46,207.56 lacs)] but are expected to be recovered and have their values unlocked in the near future, since these companies are already at various stages of executing their business plans and operations, with expected profitability.

On November 18, 2013, Financial Technologies Singapore Pte. Ltd (FTSPL), a wholly-owned subsidiary of the Company and your Company entered into a share purchase agreement for sale of 100% of its equity ownership in Singapore Mercantile Exchange Pte. Ltd. (SMX) and Singapore Mercantile Exchange Clearing Corporation

Pte. Ltd. (SMXCC) to ICE Singapore Holdings Pte. Ltd, an entity owned by the Intercontinental Exchange Group, Inc. (ICE) for an amount of USD 150 million. The transaction was approved by the Board of Directors of FTSPL and your Company subject to certain customary closing conditions and approvals. Further, an overseas exchange based out of Dubai, wherein your Company holds minority shareholding came out with rights issue which was priced more than the book value of that overseas exchange.

Considering the past profitable divestment from various exchanges by your Company and the recent two overseas exchanges valuation in spite of losses, a provision for diminution in the value of investments, other than temporary, amounting to ₹ 1,737.26 lacs as at the year end March 31, 2013 is considered to be adequate.

BUSINESS OVERVIEW

Following para in Business Overview on Page 29 of the Directors' Report dated July 30, 2013 stands deleted:

"*Detailed infromation on each of these business lines and their respective ventures has been covered elsewhere in this Annual Report.*"

SUBSIDIARIES

Further in reference to the addendum to Directors Report dated August 22, 2013, your Company would like to provide further update on National Spot Exchange Limited ("NSEL"):

Ministry of Consumer Affairs, vide its notification dated August 6, 2013, in partial modification of the Gazette notification dated June 5, 2007, imposed additional conditions on NSEL to protect the interests of commodity market participants stating that no trading in the existing e-series contracts, and no further or fresh one day forward contracts in any commodity shall be undertaken by NSEL without prior approval of the Central Government and that settlement of all outstanding one day forward contracts at NSEL shall be done under the supervision of the FMC.

On the direction of FMC, NSEL appointed Grant Thornton LLP, a forensic auditor. Prima facie it appears that a few officials of NSEL in connivance with the defaulting members abused the system of NSEL. NSEL has commenced legal action including criminal proceedings against all those who had indulged in such malpractices.

The following further steps were initiated by the Board of NSEL:

- The members who have defaulted in pay-in obligations have been declared as defaulters;
- Met with all the borrowers and obtained confirmations from them regarding their outstanding obligations. These members subsequently attended joint meeting with FMC and other interested stakeholders and have admitted their liability;
- Appointed SGS and Group 4 Securitas to survey the stocks at various warehouses;
- Appointed M/s Sharp & Tannan Associates, an audit and consultancy firm, for conducting interim audit;
- Appointed officer on special duty and a crisis management team to assist the Management of NSEL;
- Terminated Mr. Anjani Sinha from the post of Managing Director (MD) & Chief Executive Officer (CEO) and other senior officials who are prima facie responsible for the situation;
- Finalized & announced pay-out schedule;
- Appointed Mr. Saji Cherian as its new MD & CEO with effect from September 16, 2013;
- Initiated various recovery proceedings (including civil & criminal) against the defaulting members to recover the outstanding amounts from them. In this regard, one of the defaulting members has settled its outstanding amount with NSEL confirming that the payment will be made over a period of 12 months from the date of settlement. NSEL is in discussion with all the

other defaulting members to settle their outstanding dues.

NSEL auditors have issued letters on September 21, 2013 informing that the audited Financial Statements and audit reports of NSEL & IBMA are no longer to be relied upon.

NSEL availed a bridge loan of ₹ 179.4 Crores from the Company and paid small investors in full whose dues were upto ₹ 2 lakhs and 50% of the amount to those, whose dues were between ₹ 2 lakhs and ₹ 10 lakhs.

EOW has registered First Information Report on September 30, 2013 against directors and key management personel of NSEL, the Company, Borrower/Trading members of NSEL, some of the brokers of NSEL and others and EOW carried out the search at the registered office of NSEL, the residence of directors of NSEL, key personnel of NSEL, and at the residence of few directors of the Company. EOW also issued summons to NSEL, its Directors, Borrowers and a few Directors of the Company. Accordingly, Directors of NSEL & few directors of the Company had appeared / appearing before EOW in connection with the First Information Report on default of NSEL.

As per Section 212 of the Companies Act, 1956, your Company is required to attach the Directors' Report, Auditors' Report, Balance Sheet and Profit and Loss Account of its subsidiaries to the Balance Sheet of the Company, along with statement of its interest in its subsidiary companies.

Availing the general exemption granted by the Ministry of Corporate Affairs, your Company did not attach the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report of the Subsidiaries to the Balance Sheet of the Company when the Annual Report 2012-13 containing Balance Sheet, Profit And Loss account, Report of the Board of Directors, Auditors' Report and Report on the Corporate Governance etc. was circulated to the eligible members on August 30 and 31, 2013.

The above-said documents were made available upon written request by the shareholder(s) of the Company interested in obtaining the same. The financial data of the subsidiaries had been furnished under 'Statement Regarding Subsidiary Companies', which was forming part of Annual Report 2012-13. Further, pursuant to the Accounting Standard AS-21 as notified under the Companies (Acoounting Standards) Rules, 2006, Annual Report 2012-13 containing Consolidated Financial Statements presented by the Company included financial information of its subsidiaries. The statement pursuant to Section 212 of the Companies Act, 1956, containing details of subsidiaries of the Company, also formed a part of Annual Report 2012-13. In view of the above, your Company was in compliance with Section 212 of the Companies Act, 1956 and Clause 32 of the Listing Agreement.

However, prior to the Annual General Meeting of the Company which was scheduled on September 25, 2013, the Statutory Auditors of the Company issued a letter dated September 23, 2013 stating that the Audit Report on the Standalone and Consolidated Financials cannot be relied upon and accordingly the Company had to defer the Agenda items nos. 1, 2 and 5 at its Annual General Meeting held on September 25, 2013 as scheduled. Considering the ongoing investigations of the matter of NSEL & IBMA by various agencies/regulatory authorities, the accounts of NSEL & IBMA are not yet finalized. Hence, your Company is unable to attach the Consolidated Financial Statements.

However, statement pursuant to Section 212 of the Companies Act, 1956 containing the details of subsidiaries of the Company (excluding NSEL and its subsidiaries) and Balance Sheets, Profit and Loss Account, Directors' Report and Auditors' Report of the subsidiaries of the Company (excluding NSEL and its subsidiaries) are enclosed in these addendums to Annual Report 2012-13.

As soon as NSEL and its subsidiaries accounts are finalized, audited and approved, your Company will announce the Consolidated Financial Statements of the Company, as soon as possible thereafter and will intimate the same to the stock exchanges. Company will also upload such Consolidated Financial Statements on the Company's website. In compliance with the MCA circular, your Company will make available Consolidated Financial Statements along with Section 212 statement (including NSEL and its subsidiaries) upon written request by any shareholder of the Company interested in obtaining the same at any point of time subsequent to finalization of such Consolidated Financial Statements.

PARTICULARS OF EMPLOYEES

The para on the 'Particulars of Employees' shall stand amended as under:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of the employees as required to be set out in the Annexure to the Directors' Report are set out as Annexure I to this Addendum No. 2 to the Directors' Report.

FOREIGN EXCHANGE EARNINGS AND OUT-GO

The Annexure "A" to the Directors' Report (Page No 35 of Annual Report 2012-13) stands amended to the following effect.

Details of foreign exchange earnings and outgo are mentioned here under:

(a) **Expenditure in foreign currency (including foreign branches):**

(₹ Lacs)

Nature of Expenses	Current Year	Previous Year
Salaries and wages	57.42	132.76
Travelling expenses	55.49	17.85
Professional fees	29.72	39.49
Purchase of goods for trading	-	65.41
Interest expenses on borrowings	3,054.44	1,667.85
Amortisation of ancillary borrowing costs	383.02	285.28
Premium on redemption of ZCCB	-	6,037.06
Insurance	1.36	1.57
Rent	6.23	4.42
Repairs and maintenance – others	8.14	0.35
Software license fees	172.79	133.66
Miscellaneous expenses	57.79	110.65
TOTAL	**3,826.40**	**8,496.35**

(b) **Earnings in foreign currency (including foreign branches):**

(₹ Lacs)

Nature of Income	Current Year	Previous Year
Income from software products (IPR based license)	49.78	23.33
Income from software services (Project based)	8,553.57	17,019.82
Sale of traded goods	8.55	-
Guarantee Fees	1,295.13	-
Interest on bank deposits	79.24	319.89
Interest on loans to subsidiaries	2,062.13	67.51
TOTAL	**12,048.40**	**17,430.55**

All the above changes stated in this Addendum No. 2 to Directors' Report are to be read in conjunction with the Directors' Report and Addendum no. 1 to the Directors' Report which was earlier circulated as a part of Annual Report 2012-13.

For and on behalf of the Board

Place: Mumbai
Date : November 29, 2013

Dewang Neralla
Whole-time Director

Venkat Chary
Director

Annexture I

Statement pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975, for the year ended March 31, 2013

Name	Date of Joining	Age	Qualification	Designation	Experience (No. of years)	Gross Remuneration ₹	Last Employment	Designations
(A) Employed for full year								
Jignesh Shah	24/01/1995	46	B.E.	Chairman & Group CEO	25	180,282,491	The Stock Exchange, Mumbai (BSE)	Business Analyst (Project BOLT)
Dewang Neralla	01/06/1995	44	B.E.	Director - Technology	18	17,661,976	The Stock Exchange, Mumbai (BSE)	Deputy Manager (Information Technology)
Manjay Shah	03/01/2002	42	Diploma in Electrical Engineering	Director - Business Development	11	17,746,925	First Employment	--
Paras Kishorkumar Ajmera	01/10/2005	41	BE - Comp	Director - Operations & HR (Non-Board Member)	17	16,069,282	Self Employment	--
Jigish Shantilal Sonagara	01/10/2004	37	CA, Diploma, B Com.	President & Head – Exchange Technology	17	18,948,497	AUDITime Information Systems India Pvt. Ltd.	Director
Naishadh Desai*	24/03/2008	48	B.Com, B.GL, CS	Sr. Vice President - Legal & Secretarial	25	6,636,086	Hexaware Technologies Ltd.	AVP - Legal & Finance
Shashi Bhargava	29/10/2007	48	B.Tech	Chief Delivery Officer - Member Technology	26	7,298,082	Ness Technologies	Vice President & Center Head
Rohit Frumentius Ambosta	17/10/2005	38	B.E	Sr. Vice President & Head - ESG	15	16,502,621	Mahindra British Telecom Ltd.	Consultant
Pratap Dasharath Polkam	28/12/1999	40	PG in Computer Maintenance Engg.	Sr. Vice President & Head - Exchange Technology	19	15,008,844	Global Network Technology	Technical Support Engineer
(B) Employed for part of the year with average salary above ₹ 5 lacs per month								
Shreekant Javalgekar	25/10/2004	58	MBA, B.Com	Director - Finance (Non-Board Member)	32	6,820,485	NexGen Financial Solutions	Advisor
Prashant Desai	10/12/2012	41	B.Com, CA, ICWA,	President - Investor Relations	18	3,012,622	Seagull Value Consultans LLP and Seagull IR Solutions P Limited	Founder
Rajendra Mehta	13/08/2012	48	B.Com, CA	President & Head - Member Technology	24	4,942,526	CLSA India Limited	COO
Mehmood Vaid	03/09/2012	40	B.Com, MBA	Sr. Vice President - Member Technology	24	3,356,660	Bonton Tours Pvt Ltd	Chief Consulting Officer

* Resigned as Company Secretary w.e.f. 26/09/2013

Note: 1. The above remuneration includes basic salary, allowances, taxable value of perquisites, etc. The term remuneration has the meaning assigned to it in the explanation to Section 198 of the Companies Act, 1956.

2. Mr. Manjay Shah is a relative of Mr. Jignesh Shah - Chairman & Managing Director of the Company.
3. Except Mr. Jignesh Shah, none of employees hold by himself or along with his spouse and dependent children more than than two percent of the equity shahres of the Company.
4. Nature of employment, in all cases is contractual.

ADDENDUM TO DIRECTORS' REPORT 1

Dear Shareholders,

1. Your company would like to brief you about the developments of National Spot Exchange Limited ("NSEL"), a subsidiary Company which is in the news in the recent past. Your Company would like put forward the following facts:

    - National Spot Exchange Ltd. (NSEL) is engaged in the business of providing electronic spot trading platform for commodities, ⓔ-series contracts and procurement activities and is carrying out its activities since last seven years by a team of professionals.
    - NSEL commenced live trading on October 15, 2008 and all contracts traded on NSEL platform are compulsory delivery contracts. At present NSEL is operational in 16 states across the country under license from Agricultural Produce Market Committee (APMC) providing delivery based spot trading in 52 commodities.
    - The Ministry of Consumer Affairs issued a notification dated June 5, 2007 under Section 27 of the Forward Contracts (Regulation) Act, 1952 (FCRA) exempting NSEL from operation of FCRA subject to certain conditions mentioned therein.
    - Forward Market Commission (FMC) was appointed as designated agency under a notification issued under section 27 of FCRA.
    - NSEL is engaged into various other activities to support and promote cause of the farmers, Farmer Producer Organizations, State Marketing Federations as well as various Government agencies. Some of such activities are as follows:

        (a) NSEL carries out Minimum Support Price (MSP) cotton procurement on behalf of Government viz. National Agricultural Cooperative Marketing Federation of India Limited (Nafed), Small Farmers' Agri-Business Consortium (SFAC) etc.

        (b) NSEL has implemented Forward auction model for Food Corporation of India (FCI) and other Government agencies: for sale of wheat under Open Market Sale Scheme (OMSS) by FCI. This was a pilot project carried out for FCI, in which NSEL provided its services without charging any fee from FCI. Based on our performance, now FCI is looking at expanding electronic auction of wheat through NSEL across the country.

        (c) NSEL has implemented Forward auction model for sale of cotton bales on behalf of Nafed.

        (d) NSEL has conducted Electronic auction for Metals and Minerals Trading Corporation of India Ltd. (MMTC), Project and Equipment Corporation of India Limited (PEC), Neelachal Ispat Nigam Limited (NINL), State Trading Corporation (STC) and Nafed for pulses through its platform on behalf of Government agencies engaged in import of pulses.

        (e) NSEL has implemented Forward and Reverse auction model for (Hafed) to sell Paddy, Bajara and other food grain items. They have been able to realize higher price, compared to traditional tender method, due to competitive bidding by large number of buyers from across the country.

        (f) ⓔ-Series contracts: NSEL has launched 7 contracts under ⓔ-Series, which are ⓔ-Gold, ⓔ-Silver, ⓔ-Platinum, etc., which are settled by delivery and payment within 2 days.

    - All trades executed in various contracts traded on the platform of NSEL are settled on their due date by delivery and payment. Trades take place in these contracts every day and are settled by delivery and payment on respective "settlement due date" as per contract specifications of NSEL. Hence, a contract is available for trading on the platform of NSEL on continuous basis, while delivery and settlement also happens regularly as per settlement schedule. The contract once launched continues to be available for trading till participants are interested to trade therein.
    - NSEL received a Show Cause Notice dated 27th April, 2012 from the Ministry alleging that NSEL is running contracts with more than 11 days delivery period thereby they are conducting Non-Transferable Specific Delivery (NTSD) contracts not permissible under the notification; NSEL does not have mechanism to check the short sales and balances to ensure that the short sales do not take place on the Exchange. Therefore, NSEL has violated the terms of the notification S.O No. 906 (E) dated 5th June, 2007

- NSEL had filed a detailed reply to the said Show Cause Notice vide its letter dated May 23, 2012 wherein it was stated that they had not committed violation of any law or of the terms of the notification S.O. No. 906 (E) dated June 5, 2007. NSEL had given detailed justification as to how the contracts that are introduced on the Exchange are not violative of the said notification and how there are no short sales happening on the Exchange platform of NSEL. The said letter was followed up with the Ministry with further correspondence dated August 11, 2012, July 8, 2013 and July 12, 2013.
- Ministry vide its letter dated July 12, 2013 directed NSEL to submit undertaking to the fact that:

  (i) No further/fresh contracts shall be launched till further instructions from concerned authority.

  (ii) All the existing contracts will be settled on the due dates.
- NSEL vide its letter dated July 22, 2013 forwarded their undertaking as sought by the Ministry.
- Thereafter, in view of directions of the concerned Ministry, the situation was aggravated by the loss of trading interest due to uncertainties leading to trade in-equilibrium.
- Therefore, NSEL has issued a circular dated July 31, 2013 informing its members that with immediate effect all one day forward contracts are suspended till further instructions, however the trading in e-series and contracts for Nafed, Hafed, SFAC shall continue.
- On August 4, 2013, NSEL issued a press release clarifying the Exchange is fully committed to ensure proper settlement of all outstanding obligations and to comply with the directions issued by the Government in this regard and to settle all issues as per Rules and Bye laws of the Exchange.
- On August 5, 2013, NSEL announced the formation of an Independent Committee consisting of eminent dignitaries' viz. Shri Sharad Upasani, IAS (Retd.), Justice R. J. Kochar, Shri G. N. Bajpai, Shri D. Sivanandan, IPS (Retd.).
- In addition to the above, NSEL is constituting two committees - one committee of planters / processors and second is of Members of the exchange for better coordination. The Exchange continues to update the FMC regularly on these matters.
- All the information are available on NSEL's website and all future action plan will be announced through media in consultation with FMC and also uploaded on NSEL website from time to time.
- NSEL has notified to its Members regarding Settlement Schedule which will commence from Friday, 16th August 2013, there will be pay-in every Friday and pay-out every subsequent Tuesday, till it completes all back log of pay-in and pay-out.
- NSEL has suspended the MD & CEO of NSEL along with senior professionals who are responsible for the situation.
- Mr. Shreekant Javalgekar, Mr. R. Devarajan, Mr. Shankarlal Guru, Mr. B. D. Pawar resigned from the Board of NSEL.
- Exchange is in the process of declaring defaults of Members who defaulted in pay-in obligations.

2. Mr. R. Devarajan - Independent Director of your Company has resigned from the Board and its committees for professional commitments and he ceases to be the Director of the Company.
3. Mr. P. R. Barpande - Independent Director of your Company has resigned from the Board and its committees and he ceases to be the Director of the Company.
4. Mr. Ravi Sheth, Non-Independent Director of the Company has withdrawn his consent for re-appointment as a Director at the ensuing Annual General Meeting.
5. Mr. N. Balasubramanian has been appointed as Additional Director and he holds office upto the date of forthcoming Annual General Meeting

The Directors report and the Corporate Governance Report of the Company for the FY 2012-13 be read in conjunction with the above addendum.

For and on behalf of the Board

Place: Mumbai	**Dewang Neralla**	**Chandrakant Kamdar**
Date: 22nd August, 2013	Whole-time Director	Director

DIRECTORS' REPORT

To,

The Members,

Your Directors present the Twenty Fifth Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL PERFORMANCE

(₹ in million, except per share data)

Particulars	Standalone Current Year 2012-13	Standalone Previous Year 2011-12	Consolidated Current Year 2012-13	Consolidated Previous Year 2011-12
Total Income	6,574.21	7,944.07	9,559.93	8,343.00
Total Operating Expenditure	1,895.71	2,172.10	5,560.04	5,103.90
EBITDA	**4,678.50**	**5,771.97**	**3,999.89**	**3,239.10**
Interest	428.37	304.42	979.98	671.78
Depreciation/amortization	225.40	173.01	326.82	316.40
Profit before tax	**4,024.73**	**5,294.53**	**2,693.09**	**2,250.92**
Provision for taxation	795.92	514.24	1,425.46	620.89
Profit after Tax/Net Profit for the year	**3,228.81**	**4,780.29**	**1,267.63**	**1,630.03**
Add: Net share of profit in associates			1,020.36	1,028.31
Add: Net minority interest in profit of subsidiaries			(13.60)	(17.82)
Profit after Tax/Net Profit for the year	**3,228.81**	**4,780.29**	**2,274.39**	**2,640.52**
Add: Balance brought forward from previous year	17,951.35	14,125.49	9,090.04	7,404.65
Balance available for appropriation	21,180.16	18,905.78	11,364.43	10,045.17
Appropriations				
Final dividend (proposed)	92.16	92.16	92.16	92.16
Interim dividend	276.47	276.47	276.47	276.47
Tax on dividend	60.51	59.80	61.69	59.80
Transfer to General Reserve	325.30	526.00	325.30	526.00
Transfer to Statutory Reserve			0.82	0.70
Transfer to Security Guarantee Fund			8.47	0
Balance carried forward to Balance Sheet	20,425.72	17,951.35	10,599.52	9,090.04
Earnings per share				
Basic	70.07	103.74	49.36	57.30
Diluted	69.48	103.74	48.42	57.30

RESULT OF OPERATIONS:

Consolidated Financials

- During the year under review, the income from operations grew by 50% to ₹ 752 crores from ₹ 501 crores for the year ended 31st March 2012.
- Net profit (excluding capital gain on sale/redemption of shares and diminution in long term investments) for the year ended 31st March 2013, increased by 239% to ₹ 227 crores from ₹ 67 crores for the year ended 31st March 2012.

Standalone Financials

- The total revenue from operations for the year ended 31st March 2013 was at ₹ 4,509 million as compared to ₹ 4,255 million for the year ended 31st March 2012, an increase of 6%.
- The standalone profit after tax (excluding capital gain on sale/redemption of shares and diminution in long term investments) increased by 21% to ₹ 323 crores from ₹ 267 crores for the year ended 31st March 2012.

Qualification in Audit Report

During the year, there are no qualifications in the Auditor's Report. However the Auditor's report comprising of emphasis of matter with related to standalone and Consolidated Audit Report which has been covered elsewhere in this Annual Report including Management Response.

BUSINESS OVERVIEW

Fiscal Year 2012-13

Your Company's approach has been multipronged, founded on the three pillars viz., Technology, Exchanges and Ecosystem Ventures that define its innovative growth model. The Technology Vertical of your Company embraces Exchange Technology Solutions, Brokerage Solutions, Connectivity Solutions and Consulting Solutions.

Exchange Technology Solutions are enabling the world's leading exchanges to seamlessly operate in cross-border markets. Keeping pace with the growing needs of the market, Company's Exchange Technology Division has equipped its solutions to cater to fixed income markets as well as newer asset classes, viz. equity derivatives and currency options. This division implemented Energy Market Management System (EMMS) at Gulf Co-operation Council Interconnection Authority (GCCIA) to help seamless exchange of electricity between GCC and the Middle-East countries. GCCIA is a joint stock company subscribed by the six gulf countries (Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emirates and Oman) formed with the objective to provide reliable, competitive and sustainable transmission service.

Your Company also leads in India's brokerage technology solutions space with ODIN™ continuing to be the first choice of every brokerage house in India holding a major market share in the country's electronic trading solutions space. This year, ODIN™'s capabilities were enhanced to integrate with new exchange segments – MCX-SX equity and derivative segments, Universal Commodity Exchange (UCX) commodity futures segment and in primary market for OFS (offer for sale) segment. Also, ISIN-based news integration was enabled with multiple vendors such as Heckyl and TickerPlant, among others.

Risk management system/processes (RMS) are being continually boosted and adapted to the changing global risks scenario and the regulatory structure, by your Company. During the year, RMS modules have been revamped and made more dynamic with addition of many advanced RMS parameters and features that cater to the growing needs of members to provide robust risk management service to their clients.

During the year under review, your Company launched a new tablet website solution designed to optimize user experience in the iPAD and other tablet markets. The Company also launched advanced version of browser-based trading interface and mobile-trading application to provide superior trading experience to customers over the internet. This has enabled customers to access the services anywhere and anytime with contextual interactions.

This year ODIN™ Institutional went live on various execution-based algorithms, institutional order slicing mechanism (block release), IOI (indication of interest) functionality, smart order routing (SOR) and algo orders. Your Company has introduced FIX 24x7 functionality that enables the sell-side brokers to accept orders all day from buy-side clients who route orders from different time-zones across the world.

Another milestone was the addition of the Qualified Depositories Participants (QDP) product suite. These products are specifically developed for QDP as per the recent regulations laid down by SEBI to enable Qualified Foreign Investors (QFI) to participate in the Indian equity markets.

As an endeavor to establish our presence in the OTC Market, your Company launched a new forex trading product 'FX-ELITE'. This solution is specifically developed for providing an automated electronic trading platform for intra-bank dealing of foreign exchange (spot and forward contracts) thus enabling a smoother workflow between the Central Treasury of a Bank and its branches.

Your Company's Consulting Solution - ESG added to its services - Datacenter Hosting, which is a low latency proximity hosting solution that helps clients to host their servers and connect with various exchanges efficiently using algorithm trading applications. ESG also added Information Security Awareness Programs that enable secured IT Infrastructure for clients.

Along with technological competences and domain expertise, your Company is today the world's largest creator of green-field exchanges and complementing them with ecosystem ventures that strengthen the scope of financial markets. Its wide institutional framework of exchanges and ecosystem ventures formulate a comprehensive market structure not only in India but also globally.

In the commodity exchange space in India, MCX maintained its leadership position with a market share of 87.3% in the year. It has recorded the highest-ever daily turnover of ₹ 1,199.41 billion. MCX launched two new contracts – 'Kapasia Khalli' and 'Silver 1000' during the year.

NSEL, in its bid to enrich its ⓔ-Series bouquet of investment product, added the 'ⓔ-Platinum'. It, also, undertook MSP pulses and oilseed procurement for SFAC in Gujarat, Maharashtra and Rajasthan and procured the agro-commodities worth over ₹ 2.39 cr. In a drive to bring coffee-growers under the umbrella of its services, NSEL signed a pact with Coffee Board of India to create a Warehouse Receipt-based electronic Spot Market for coffee beans.

Your Company's another exchange venture in energy segment; IEX successfully completed 5 years and continues to be India's first and premier power exchange with 95% market share. IEX recorded highest-ever cleared volume 91,675 MWh for delivery day 24th March, 2013 and unconstrained volume of 115,036 MWh for delivery day 31st March 2013 in Day-Ahead Market (DAM) segment. IEX recorded highest-ever REC traded in a single trading session - 309,892 (March 2013 session).

Among your Company's international exchanges spread across Asia, Middle-East and Africa, SMX has successfully launched the negotiated trade facility across all its products and became a correspondent exchange of World Federation of Exchanges (WEF). SMX bagged 3 Awards at 'FOW Awards for Asia 2012', including the most innovative new contract launch by an Exchange for 'SMEURUSD' and 'SMPEPPER'.

BFX became a member of the Bahrain Association of Banks (BAB). Additionally, BFX futures trading since its launch on 23rd November 2011 up to 31st March 2013, increased to USD 68.16 billion. This year BFX conducted several educational workshops titled 'Understanding the Financial Derivatives Markets from Theory to Practice' for university students in the Kingdom of Bahrain under its corporate social responsibility (CSR) initiatives.

GBOT collaborated with University of Technology, Mauritius, to promote education on financial markets through workshops, certification courses and simulation on GBOT markets. GBOT conducted over 50 EDGE (Empowerment & Development through 'Global Financial Markets' Education) workshops with in-house and external experts from the financial fraternity.

With respect to the ecosystem ventures, NBHC successfully associated with new banks and other financial institutions this year namely, Central Bank of India, Hadoti Kshetriya Gramin Bank, J&K Bank, Dombivli Nagari Sahakari Bank, Ratnakar Bank and L&T Finance Holdings.

atom Technologies is a payment service provider providing payment processing through Internet, IVR, Mobile and POS. atom Technologies provides financial inclusion technology solutions combining mobile and biometric technologies, and micro-finance products. Amongst other developments, atom Technologies launched IMPS based payment options, and mobile banking. Additionally, it has enhanced its payments portfolio to include multi bank EMI.

Among other notable developments, TickerPlant incorporated new functionalities in its product offerings with commissioned enhancements in decision support tools, pivot point analytics and technical indicators like Ichimoku and smoothened RSI. It has seamlessly integrated MCX-SX Cash and F&O segments, and ACE exchange.

Detailed information on each of these business lines and their respective ventures has been covered elsewhere in this Annual Report.

DIVIDEND

The Company follows a stable dividend payout policy. Your Company has paid consecutive dividend for last 29 quarters which is in accordance with sustainable dividend payout policy of the Company and linked to its long term growth objectives. During the year under review, your Company paid three interim dividends totaling ₹ 276.47 million (₹ 6 per share on par value of ₹ 2/- per share). The Directors recommended a final dividend of ₹ 2/- per share, subject to the approval of the shareholders at the ensuing Annual General Meeting. The total dividend – including interim and final – aggregated ₹ 8/- per share, for the financial year ended 31st March 2013 (previous year ₹ 8/- per share on par value of ₹ 2/- each). The total appropriation on account of interim and final dividend and tax thereon amounts to ₹ 429.15 million.

The final dividend, if approved, will be paid to those members whose names appear in the Register of Members as on the date of the Annual General Meeting.

The break-up of the dividend payouts are as under:

(₹ in million, except dividend per share data)

Particulars	Interim Dividends			Final Dividend	TOTAL
	1st Interim	2nd Interim	3rd Interim	Proposed	
Dividend per share	2	2	2	2	8
Dividend	92.16	92.16	92.16	92.16	368.64
Tax	14.95	14.95	14.95	15.66	60.51
TOTAL	**107.11**	**107.11**	**107.11**	**107.82**	**429.15**

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 325.30 million to General Reserve out of the amount available for appropriations and an amount of ₹ 20,425.72 million is proposed to be retained in Profit and Loss Account.

SHARE CAPITAL

There was no change in the Share Capital of the Company during the year under review. As on 31st March 2013, the paid-up equity Share Capital of your Company stood at ₹ 92.16 million comprising 46,078,537 equity shares of ₹ 2/- each.

INVESTMENT

At the end of FY 2012-13, your Company's Investments (current + non-current) stood at ₹ 22,150.76 million, as compared to ₹ 17,380.39 million in the previous year, a healthy increase of 27% over the previous year. The total investment mainly comprised of investment in mutual funds, subsidiaries, joint venture and associate companies. For more details, please refer to the audited financial statements, covered elsewhere in this Annual Report.

HUMAN RESOURCE DEVELOPMENT

Your Company is an entrepreneur driven organization which is managed by industry professionals and stalwarts.

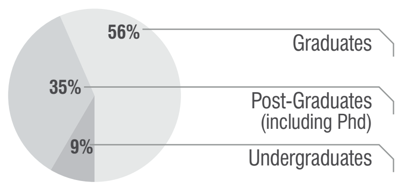
High learning and growth opportunities have seen many employees grow to leadership ranks within a short span of time. Sense of Organization pride and belonging is high, which has resulted in a lower attrition rate and high retention of talent.

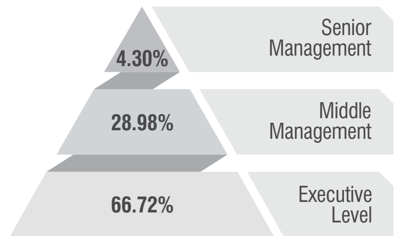
Your Company believes in improving its human capital by way of imparting development programs and trainings. During the year under review your Company launched a number of programs across the board ranging from self-development, soft skill enhancements and leadership programs to name a few. During the year a certification program to evaluate and benchmark technical skills for employees and to have a skill inventory in the organization was organized. Your Company also launched leadership and soft skills building programs for middle and junior management respectively. All processes with respect to human resources are fully automated and online thus ensuring that information is available at fingertips for employees as well as speed in operations.

Your Company believes that being driven by commitment, aided by technology and quality practices, Financial Technologies is a great place to work.

As of 31st March 2013, the total employee strength (excluding Group Companies) stood at 1,186.

Employee Strength as on 31st March 2013





AWARDS/RECOGNITION

Awards and recognition received by your Company and its associate and subsidiary companies during the year is covered elsewhere in this Annual Report.

SUBSIDIARIES

As per Section 212 of the Companies Act, 1956, Company is required to attach the Directors' Report, Balance Sheet and Profit and Loss of its subsidiaries.

In view of the general exemption granted by the Ministry of Corporate Affairs, the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors of the Subsidiaries are not attached and do not form a part of this Annual Report.

These documents will be made available upon written request by any shareholder of the Company interested in obtaining the same. However, the financial data of the subsidiaries has been furnished under 'Statement Regarding Subsidiary Companies', which forms a part of this Annual Report. Further, pursuant to the Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company includes financial information of its subsidiaries.

The statement pursuant to Section 212 of the Companies Act, 1956, containing details of subsidiaries of the Company, forms a part of this Annual Report.

RELATED PARTY TRANSACTIONS

Your Company, as a part of its core business strategy, promotes and invests in new ventures that utilize your Company's technological capabilities and domain expertise by way of subsidiary companies setting up Exchanges or Ecosystem Ventures. Your Company carries out transactions with related parties on an arms-length basis.

Statement of these transactions given in the Notes to Accounts in compliance of Accounting Standard AS-18, which forms a part of this Annual Report.

EMPLOYEES STOCK OPTION PLAN (ESOP)

During the year under review, the Committee issued 74,350 and 112,280 stock options under ESOP Scheme 2009 and ESOP Scheme 2010, respectively, in lieu of lapsed/cancelled stock options at an exercise price of ₹ 807.70 per share.

As on 31st March 2013, 892,500 and 880,955 stock options under ESOP Scheme 2009 and ESOP Scheme 2010, respectively, are in force.

Requisite disclosure in respect of the Employee Stock Option Scheme in terms of Guidelines of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Share Purchase Scheme) Guidelines 1999, as amended, has been provided in Annexure "B" in this Report.

QUALITY

Streamlined processes, customer orientation, and Information Security have always been of paramount importance in your Company's business agenda. In continuation with its quest for quality driven services, your Company has successfully cleared its surveillance audit for **ISO 9001:2008**, after rigorous audits across its business operations.

Besides effective processes, your Company continues to maintain an effective Information Security driven culture. Its commitment to maintain confidentiality, integrity, and availability of critical information can be witnessed through the retaining of the **ISO 27001:2005** certificate for Information Security. Your Company continues to maintain international standards in the area of information and data security.

Further, your Company continues to maintain best-in-class IT services, and has upgraded its certification for Information Technology Service Management. FTIL has successfully cleared the re-certification audit for **ISO 20000:2011** for its Service Management which is based on the ITIL© framework. IT services within FTIL are aligned with best practices as mandated by this international ISO standard.

This year, your Company has gone a step ahead, and decided to showcase its dedication towards sustaining the Environment. Your Company has achieved the **ISO 14001:2004** certification for effective Environment Management Standards, and for being an Environment-Friendly organization.

The above certifications are in line with our vision of becoming a globally recognized Company that provides high quality software and business solutions.

CORPORATE SOCIAL OPPORTUNITY (CSO)

During the FY 2012-13, Financial Technologies undertook a review to assess its business implications on society and the environment. Thus, CSO is conceptually integrated into the core businesses with the value proposition of being steady contributors to inclusive and sustainable growth through co-creation of business and social value. The Group CSO function is focused on reviewing material social and environmental impacts and creating internal mechanisms for strengthening and reporting on these.

The key sustainability and inclusion aspects of the Financial Technologies are:

Inclusive growth across multiple value chains:

Given the nature of the group's core businesses, innovation for inclusion is the overarching theme. Its commodity, financial assets and electricity trading exchanges are creating efficient and transparent markets, the most powerful change agents to democratize access to economic opportunities. Together with the ecosystem companies the commodity and financial exchanges impact stakeholders across various value chains, in trading activity, risk management, price discovery, payment and collateral management solutions and information empowerment. The energy exchange has provided a transparent and efficient platform for trading in electricity and Renewable Energy Certificates thus bringing down the demand-supply gap between buyers and sellers of power, with a positive impact on SME operations as well.

Inclusive product design:

MCX has created micro contracts that make price risk management accessible to small participants exposed to global commodity price volatility. NBHC has been instrumental in making agricultural commodity funding through warehouse receipts a real bankable proposition for banks with its integrated collateral management strategy and it issues receipts for values as small as ₹ 5,000. atom Technologies provides financial inclusion technology solutions combining mobile and biometric technologies, and micro-finance products. TickerPlant offers cost-effective, modular market data services compared with expensive bundled services from existing large players. These services provide information empowerment to farmers and small enterprises across smaller towns and rural India.

Financial market education:

Your Company strongly believes the importance of financial market education in enabling financial inclusion. Through its group ventures, it has been offering various financial market courses to increase awareness on:

1. Advantages of being a part of the formal banking system as against being unbanked.
2. Investing through transparent and efficient financial markets to augment personal growth.
3. Enhance return on personal savings by employing it in formal financial market instruments, contributing to economic development in the process.

Sustainable technology:

Your Company's technological prowess supports green data centres, robust risk-management systems and environmentally efficient operations catering to various businesses as they expand their footprint.

Your Company continues to encourage and support employees who wish to contribute towards social causes and institutions, by offering suitable platforms and an annual calendar of events.

- Annual blood donation drive was held on 28th May 2012 in association with BSES Hospital (Rotary Blood Bank).
- As part of our commitment to our planet, World Environment Day (WED) 2012 - June 5th was celebrated at the office. There was an awareness campaign with employees in alignment with the UNEP – (United Nations Environment Programme)'s theme for WED 2012: 'Green Economy: Does it include you?' as well as a photography talent recognition on the theme of 'Human impact on our environment'.
- A donation drive was organized on 13th and 14th August 2012. Children's clothes and shoes donated by employees were sent to Mumbai Mobile Creches (MMC). MMC is an NGO working for all over development of the children at construction sites. Their creches provide food, health facilities and education to children of construction site workers. Adults' clothes and shoes along with books and stationery were sent to Goonj, the NGO, which channelized the donations for beneficiaries from underprivileged and vulnerable communities.
- Employees participated in the Standard Chartered Mumbai Marathon 2013 and funding so raised was pledged to Mumbai Mobile Creches (MMC).
- An exhibition of products made by children of NGO – Aseema was held on 14th August 2012. Aseema strives to protect and promote the rights of underprivileged children and women. Products ranging from dupattas, bags, lamp shades, coasters and cards were bought by employees. On Junior's Day and Christmas, an exhibition of books by Pratham - an NGO which works towards providing quality education to underprivileged children in India - was held for the sale of low cost books. On 9th November 2012, on the occasion of Diwali, exhibition of products by members of IDOBRO (a platform for small scale women artisan groups and entrepreneurs) was organized.
- On International Women's Day 2013, FTIL facilitated another IDOBRO sale of handmade artifacts, food products, etc. for employees. We continue to partner with IDOBRO for 'impact shopping', at our office at key events through the year.
- Employees support five NGOs working for different causes through Reach Out - the monthly Payroll Giving programme. These NGOs are Akshay Patra Foundation, National Association for the Blind, Ashadeep Association, Cancer Patients' Aid Association and Save the Children India.
- During the FY 2012-13 the Company has given donations to Charitable institutions for their various charitable activities like for education, health & medical etc.
- To support relief work for victims of the natural disaster that recent struck Uttarakhand, group employees collectively donated a sum of ₹ 3.14 Lakh. Relief

material such as clothes, woolens and dry ration was collected. The monetary and relief material were sent to Goonj, the NGO, which is appropriately channelizing the donations for relief work in the region.

RISK MANAGEMENT

The Risk Management Committee (RMC) was constituted to assist the Board in overseeing responsibilities with regard to identification, assessment, control/mitigation and escalation/monitoring of risks. The RMC is mandated to review, upgrade and penetrate the process to address and minimize the operational and other risks associated with the Company and business units on a continuous basis.

INSURANCE

Your Company's land and building, equipment, automobiles, stores and spares etc. are adequately insured against major risks. Your Company also has appropriate insurance cover primarily for error & omission, commercial general liability and directors & officers' liability, apart from life, mediclaim and accident insurance for all the employees.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has a robust Management Information System which forms an integral part of control mechanism. The Internal control system is improved and modified on an on-going basis to meet the changes in business conditions, accounting and statutory requirements. Internal Audit plays a key role to ensure that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Internal Auditors independently evaluate the adequacy of internal controls and audit majority of the transactions in value terms.

CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The report on Corporate Governance, stipulated by Clause 49 of the Listing Agreement, is annexed hereto, and forms part of this Annual Report.

A Certificate from the Auditors of the Company confirming compliance with Corporate Governance norms, as stipulated in Clause 49 of the Listing Agreement, is annexed to the report on Corporate Governance.

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Management Discussion and Analysis Statement forms part of this Annual Report.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. Ravi Sheth and Mr. C. M. Maniar, Directors of your Company, retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment.

Mr. P. G. Kakodkar, Independent Director, has resigned from the Board and its Committees and he ceases to be the Director of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. Kakodkar during his long association with the Company.

As per the information available with the Company, none of the Directors of the Company are disqualified for being appointed as a Director as specified in Section 274 of the Companies Act, 1956, as amended.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm:

a. that applicable accounting standards have been followed along with the explanation relating to material departures during the preparation of the annual accounts;

b. that they have selected such accounting policies and applied them consistently and they have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the Company affairs, and profit or loss of the Company, at the end of the financial year;

c. that they have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that they have prepared the annual accounts on a going concern basis.

BUSINESS RESPONSIBILITY REPORT

SEBI, vide its Circular CIR/CFD/DIL/8/2012 dated 13th August 2012, amended the Listing Agreement to include the Business Responsibility Reporting in Annual Reports of top 100 listed entities. As per the said Circular SEBI mandated that top 100 listed entities, based on market capitalization at BSE and NSE, include Business Responsibility Report as part of their Annual Report describing the initiative taken by the companies from Environmental, Social and Governance Perspective.

The Business Responsibility Reporting as required by Clause 55 of the Listing Agreement is not applicable to your Company for the financial year ended 31st March 2013.

AUDITORS

M/s. Deloitte Haskins & Sells - Chartered Accountants, the Statutory Auditors, will hold office until the conclusion of the ensuing Annual General Meeting. The Company has received necessary certificate from the Auditors, pursuant to Section 224 (1B) of the Companies Act, 1956 regarding their eligibility for re-appointment. The members are requested to consider appointment of M/s. Deloitte Haskins & Sells as the Statutory Auditors at the ensuing Annual General Meeting.

STATUTORY INFORMATION

i. Fixed Deposits

During the year, your Company has not accepted or invited any deposits from public.

ii. Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report, excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Members who are interested in obtaining such particulars may write to the Company at its Registered Office.

iii. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with Companies (Disclosure of particulars in report of the Board of Directors) Rules, 1988, are given in Annexure "A" of this Report.

iv. Transfer of amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection Fund. Details of the amounts transferred to Investor Education and Protection Fund are covered elsewhere in this Annual Report.

v. "Group"

The list of Group Companies/Associates/Joint Ventures where control exists forms part of this Annual Report.

vi. Special Business

As regards the items mentioned in the Notice of the Annual General Meeting related to Special Business, the resolutions incorporated in the Notice and the Explanatory Statement relating thereto, fully indicate the reasons for seeking the approval of members to those proposals. Members' attention is drawn to these items and Explanatory Statement annexed to the Notice.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Central Government, State Government, clients, vendors, financial institutions, bankers and business associates for their assistance, co-operation and encouragement extended to your Company.

For the continued support of Investors, business associates and unstinting efforts of colleagues, your directors also wish to place on record their sincere thanks and appreciation.

For and on behalf of the Board

Place: Mumbai
Date: 30th July 2013

Dewang Neralla
Whole-time Director

P. R. Barpande
Director

ANNEXURE "A" TO THE DIRECTORS' REPORT

The Information required under Section 217(1)(e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

Conservation of Energy

Your Company is committed to the adoption of various energy saving methods for conservation of energy and has taken adequate measures for the same and installed equipments, which would entail cost efficiency. It continues its endeavor to improve energy conservation and utilization.

Technology Absorption, Research & Development

The Research & Development activity of your Company is mainly focused on the development of new software products to meet customer requirements. Since your Company operates in a sector which witnesses rapid technological change and quality up-gradation, product improvement is given special attention.

The future plan of action also lays stress on the introduction of new software products for both Domestic and Export markets.

Amount spent: Revenue Expenses ₹ 131.01 million (previous year ₹ 128.98 million)

Foreign Earnings & Outgo

The details of foreign exchange earnings and outgo are mentioned in Notes 30(a) & 30(b) of the financial statements.

ANNEXURE "B" TO THE DIRECTORS' REPORT

Pursuant to the applicable requirements of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("the SEBI Guidelines"), following disclosures are made in connection with the "Financial Technologies (India) Limited – Employee Stock Option Scheme 2009 and 2010."

Description		ESOP - 2009	ESOP - 2010
a.	Options granted out of the lapsed/cancelled stock options during the year	74,350	112,280
b.	Exercise price per option	₹ 807.70 per share	₹ 807.70 per share
	(The exercise price of the option is the market price of the shares as defined under the SEBI Guidelines, as on the grant date)		
c.	Options vested	163,630	154,261
d.	Options exercised	Nil	Nil
e.	Options lapsed/forfeited	81,850	131,325
f.	Variations of terms of options	Nil	Nil
g.	Money realized by exercise	Nil	Nil
h.	Options in force	892,500	880,955
i.	Employee wise details of options granted during the year –		
	i) Senior Management Personnel		
	Mr. Paras Ajmera	51,000	
	Mr. Prashant Desai		25,000
	Mr. Rajendra Mehta		15,000
	Mr. Dilip Tambe		10,000
	Mr. Mehmood Vaid		7,500
	ii) Employees who receive a grant in any one year of option amounting to 5% or more of options granted during that year – Mr. Paras Ajmera	51,000	Nil
	iii) Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	Nil	Nil
j.	Diluted EPS	69.48	69.48
k.	Fair value of the options	249.05	238.67

contd.

Description	ESOP - 2009 ESOP - 2010
l. The Company has followed the intrinsic value-based method of accounting for stock options granted after 1st April, 2005, based on Guidance Note on Accounting for Employees Share-based payments, issued by the Institute of Chartered Accountants of India. Had the compensation cost of the Company's stock based compensation plan been determined in the manner consistent with the fair value approach as described in the Guidance Note, the impact on Company's net profit and EPS would be:	The Company's Net Profit for the year would be lower by ₹ 200.64 million and earnings per share as indicated as below: Adjusted EPS ₹ - Basic 65.72 - Diluted 65.16
m. Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information:	
i) Expected volatility	38.57% to 39.27%
ii) Option life	1.13 years – 3.13 years
iii) Dividend yield	0.74%
iv) Risk-free interest rate	7.80% to 7.83%
To allow for the effects of early exercise, it is assumed that the employees would exercise the options after vesting date. Expected volatility is based on the historic volatility of the share price over the period that is commensurate with the expected term of options.	

For and on behalf of the Board

Place: Mumbai
Date: 30th July 2013

Dewang Neralla
Whole-time Director

P. R. Barpande
Director

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MANAGEMENT DISCUSSION AND ANALYSIS

- Global Financial Markets Review
- Business Overview
- Competitive Strengths
- Financial Position and Result of Operations

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL FINANCIAL MARKETS REVIEW

It has been over five and a half years since the onset of the financial crisis, and global economy appears to be slowly recovering from it. During this period, world-over new policy tools have been tested in a bid to revive economies. While caution is still in order and any improvement will be slow, conditions are falling into place for recovery.

The US economy seems to be in much better shape with a firming economic recovery, but challenges such as rising joblessness persist. In June 2013, the US Fed's policy-setting panel offered a more upbeat assessment of the risks facing the economy than they had observed when they last met in May 2013. The panel confirmed that the downside risks to the outlook for the economy and the labor market have diminished and inflation appears to have moved back to the panel's long-term goal of 2%. Given the improved scenario, one of the staunch supporters of Quantitative Easing-3 (QE3) program Federal Reserve Chairman Ben Bernanke stated that the US Federal Reserve has decided that sometime towards end-2013 it would initiate the process of tapering QE3 gradually and by mid-2014 the program would come to a halt. The QE3 program comprised USD 85 billion-a-month asset purchase by the US Federal Reserve. At the same time, Mr. Bernanke assured investors and traders that the rate of interest would not be hiked too soon and will wait till some thresholds, such as bringing the unemployment rate to around 6.5% and maintaining personal consumption expenditure inflation around 2%, are met along the way. However, the move of gradual withdrawal of QE3 did weigh on company shares of stock exchanges world over with decline in their prices, pushing bond yields to a 15-month high and led many currencies to touch to their historic lows vis-à-vis the US dollar.

Euro-zone economies continued to display a mixed picture on its economic performance. The recovery in Euro economies, amidst ongoing fiscal consolidation measures, is likely to take longer than expected. Major economies in the Euro such as the UK and Germany are striving to restore growth. Meanwhile, the risk of Euro-zone break-up had subsided by mid-2012, when the European Central Bank (ECB) decided to support sovereign debt, thereafter the threat of currency break-up is also steadily receding. However, other issues pertaining to lower than potential growth continued to persist. Some of them are ongoing recession, loss of competitiveness, and large pile-up of public and private debt.

As regards currencies, the Euro and British Pound showed volatile trend throughout 2012 and continued to display a similar trend in 2013. However, in June 2013, a positive assessment of the US economy by the US Fed led to strengthening of the US dollar and the subsequent relative depreciation of the Euro and British Pound vis-à-vis the dollar. Going forward, the trend strengthening of the US dollar against Euro, British Pound and other emerging economies' currencies, seems likely.

BULLION MARKET REVIEW

In the era of economic upheaval post-global financial crisis and the subsequent uncertainty, gold became one of the most sought after assets. During large part of 2012, gold prices rose, and peaked at USD 1,792 per troy ounce in September. However, post-November 2012 a declining trend was seen in gold prices and in April 2013, it declined as investors' perception of gold as the safe haven investment started waning.

On the change in the stance of the US Fed on QE3, gold prices declined further to touch 15-month low of USD 1,290 per troy ounce on 20th June 2013. On this, some analysts opined that gold prices could further go down, while others suggested that it would remain range-bound as there are some persisting risks in the Euro area.

As regards Indian bullion market, the demand for gold kept rising throughout 2012 (as per one of the estimates, during January 2012-March 2013, India imported 215 tonnes of gold). Large import of gold led the Indian Government to impose import duty in September 2012. The imposition of customs duty on gold did relieve some demand pressure for gold in the Indian market.

ASIAN FINANCIAL MARKETS REVIEW

Asian economies' overall performance during 2012 remained short on expectations owing to a number of factors such as lower external demand that led to slower industrial activity, which in turn, impacted the overall economic recovery.

Japan's, one of the major Asian economies, tryst with natural disaster ended sooner than later. However, the economy continued to display overall recessionary and deflationary trend. Mr. Shinzo Abe, who resumed the office of Prime Minister of Japan in December 2012, initiated 'three-arrowed' measures (comprising fiscal stimulus, money printing and structural reforms) to drag the economy out of the decade-long recession, which later came to be known as 'Abenomics'. On the back of these measures, the economy posted GDP growth of 3.5% during the Q1 of 2013 (ending-March) as compared with 0.9% growth recorded during the same period a year ago.

China – one of the fastest growing economies – appears to be cooling down on account of weak external demand. Its growth in 2012 stood at 7.8% as compared to 9.3% in 2011. Recent readings of the flash HSBC Purchasing Managers' Index fell to 48.3 in June 2013 as against the final reading of the same in May 2013 stood at 49.2, drifting away from the 50-point level marking expansion to contraction. HSBC said that the June 2013-level was the weakest level since September 2012 and some of the factors that have led to the contraction are - lower external demand, moderating domestic demand and rising de-stocking pressures. Meanwhile, the Chinese government has assured that it is aware of the developments and it believes more in using reforms to come out of this situation than using the stimulus to sustain the growth.

Other East Asia-Pacific economies such as Malaysia and Indonesia posted economic growth of 7.5% and 6.2% in 2012, respectively. The World Bank Report on the state of these economies, further, stated that the East Asia and Pacific region contributed around 40% of global growth in 2012. These signs of economic revival in the Asia region augur very well for global growth and would improve the overall business environment in 2013.

INDIAN FINANCIAL MARKETS REVIEW

Despite global economic instability and uncertainty Indian economy grew by 5% in 2012-13. This could be attributed to Reserve Bank of India's (RBI) accommodative stance in the credit policy through a number of cuts in key policy rates to boost economic activities. However, high and sticky inflation rate compelled RBI to slow its pace of cuts in interest rates.

Brisk economic activities reflected in Indian capital markets throughout 2012. The markets were buoyant on the back of fund inflows from Foreign Institutional Investors (FIIs) (with net inflow of USD 24.2 billion in 2012 marking a significant rise in funds inflow since a record USD 29.36 billion in 2010), the Sensex rose by 25.7% and Nifty grew by 27.7% during 2012. The outlook for Indian stock markets looks firm and many analysts say that the markets are strong and show potential to rise in the near future.

Lately due to higher current account deficit (CAD) (which stood at USD 18.1 billion or 3.6% of GDP for Q4 of FY13 as against USD 21.7 billion deficit recorded a year earlier), Indian rupee witnessed a volatile phase vis-à-vis the US dollar (it touched ₹ 60.71 against US dollar on 26th June 2013). With the recent liberalization in FDI norms initiated by the Government of India for some sectors including insurance, telecom and others, capital inflows may improve and, in turn, is expected to give the much-needed support to depreciating rupee vis-à-vis US dollar.

BUSINESS OVERVIEW

Your Company, Financial Technologies (India) Limited (FTIL), actively operated in three business verticals, namely, Technology Vertical, Exchange Vertical and Ecosystem Vertical, that offer robust, transparent and cost-efficient exchange platforms for diverse asset-classes. With the sheer thought of bringing in Change for the better, your Company's business model draws strengths from these three verticals to create a grand vision for tomorrow!

Our business model of setting up and operating efficient markets (exchanges) is well supported by the ecosystem vertical to bring about long-term sustainability and robustness in creating value for all its stakeholders, be it market participants, intermediaries or end-users. Under the exchange vertical, your Company provides transaction opportunities that are transparent and well-regulated, providing mark-to-market valuation, clearing house guarantee, fungibility of deliveries and higher liquidity without associated counter party risks. It also provides the opportunity for cross-listing, margin credits, carry-forward positions across exchanges, enables hedging and creates easy liquidity across connected markets around the world. The ecosystem vertical addresses upstream and downstream opportunities to support its exchanges, including clearing, depository, information vending, and payment gateway, among others.

COMPETITIVE STRENGTHS

The aftermath of global financial crisis of 2008, witnessed rise in the need for safe and secure investment avenues. In such times, your Company's ability to provide transparent and robust Exchange network has given market participants an opportunity to avail benefits flowing from it. In addition, your Company's unique ecosystem ventures have captured both upstream and downstream opportunities to support its exchanges, including clearing and depository, information dissemination, warehousing and collateral management, payments processing and financial market education, among others.

Your Company's disposition of being one of the earliest entrants in India's trading technology arena with unparalleled market share and dedicated revenue stream provides it competitive strengths vis-à-vis other players. The Company's unique business model draws synergies from three different business verticals. Its technical expertise in providing trading technology solutions and also creating multi-asset exchanges has helped FTIL to create a niche place for itself.

Your Company maintains its leadership position in the brokerage technology solutions space for both retail domestic and institutional markets. Continuous feature enhancements and product launches are giving an opportunity to broad-base businesses.

Your Company has been led by eminent and competent management of over 30-member leadership team of MD/CEO/Directors with over 600 man years of experience in financial markets and technology. Their domain expertise and rich experience of global best practices has extensively helped the Company to gain confidence from both – spheres it operates in as well as stakeholders. Also, an instrumental role played by the strong and independent advisory body has enabled the Company to derive rich mix of knowledge and expertise that has added value to your Company's vision and direction.

CHALLENGES

With regard to challenges, economic upheaval of the past and uncertainty of the future has taken a toll and in the recent global economic climate there could be a 'wait and watch' approach by foreign investors.

Recently seen precarious macroeconomic scenario owing to widening current account deficit and weakening of Indian rupee vis-à-vis US dollar could have its impact on foreign capital inflows. This may lead to further deterioration in performance of the economy, which, in turn, would lead to more difficulties of gaining overall business momentum. However, recent move of Government of India on easing of FDI policy in various sectors including multi-brand retail, insurance, among others, could help India attract foreign funds, thereby giving the much required support to weakening rupee.

OUTLOOK

Lately, we notice that large economies are looking up and this would have strong positive impact world-wide including India. In the given environment, your Company aspires to strive hard to further widen the scope of its global exchange network, enable growers/producers to obtain enhanced value for their produce, empower consumers through cost-efficient price discovery, and spreading growth opportunities among various sections of the society.

Your Company, being one of the earliest entrants in trading technology arena, has garnered an unparalleled market share with dedicated revenue stream. Given this disposition, your Company has a far-reaching task of democratizing growth opportunities by creating financial markets in emerging economies. FTIL's business model co-creates business and social value enabling distribution of benefits of financial markets - especially through transparent price discovery and its agile risk management to all the ecosystem constituents.

In the times of nascent economic recovery in the large economies, your Company will remain focused on delivering value to stakeholders; empower consumers through efficient price discovery mechanism, and spreading growth opportunities among various sections of the society.

FTIL, with its forte in technology advancement, product innovation and operational efficiency with talented human capital, looks at bringing the Change that we want to see!

FINANCIAL POSITION AND RESULT OF OPERATIONS

Shareholder's Equity

Your Company's authorized share capital is ₹ 300 million, divided into 150 million equity shares of ₹ 2 each. The paid up share capital of your company stood at ₹ 92.16 million. During the year, there was no change in the paid-up share capital of your Company.

Reserves and Surplus

Your Company's total reserves and surplus position increased to ₹ 26,676.18 million as on 31st March 2013 from ₹ 24,033.69 million as on 31st March 2012, mainly on account of profit generated during the year.

Securities premium account as at 31st March 2013 stood at ₹ 4,174.66 million. During the year, there was no change in Securities premium account.

The Company has transferred ₹ 325.30 million to General Reserve out of the amount available for appropriations and an amount of ₹ 20,425.72 million is proposed to be retained in Profit and Loss Account. Post transfer, aggregate general reserve of the Company stood at ₹ 2,641.32 million.

Shareholders' Funds

Total shareholder funds increased to ₹ 26,768.34 million as on 31st March 2013 from ₹ 24,125.85 million as on 31st March 2012.

Loan Funds

During the previous year ended 31st March 2012, the Company had availed External commercial borrowings (ECB) aggregating to USD 110.00 million (equivalent to ₹ 5,982.82 million as at 31st March 2013 against ₹ 5,627.22 million as at 31st March 2012) partly for investments in overseas wholly owned subsidiary companies and partly to repay the Zero Coupon Convertible Bonds. The increase in loan liability is due to exchange rate fluctuations during the year. There is no additional loan during the year.

Deferred Tax Liability

During the year, your Company has reported accrual of total net deferred tax liability of ₹ 238.29 million compared to ₹ 137.33 million in the previous year. Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at substantively enacted tax rates.

Trade Payable

At the end of the year trade payables stood at ₹ 203.46 million as compared to ₹ 131.28 million at the end of previous year.

Other Liabilities (current + non-current)

Other liabilities at the end of the year amounted to ₹ 2,364.80 million as against of ₹ 1,823.43 million at the end of previous year. The increase is mainly on account of income received in advance for subsequent period.

Provisions (short term + long term)

Total provisions as at the end of the year increased to ₹ 357.26 million as against of ₹ 299.95 million at the end of the previous year. It consists mainly for provision made for estimated loss on Interest Rate Swap Contracts & proposed dividend.

Investments (current + non-current)

The total investments as at 31st March 2013 were at ₹ 22,150.76 million as compared to ₹ 17,380.39 million as at 31st March 2012. The investments mainly comprised of investment in mutual funds, bonds and investments in subsidiaries, joint venture & associate companies. The Company, as a part of its core business strategy, promotes and invests in new ventures that utilize its technological capabilities and domain expertise towards creating world class enterprises. The investment in each such venture is assessed for its risks and is limited to a pre-determined level and will generate returns after the ventures start ramping-up operations in varied time frame depending upon the line of business. The Company, as part of its non-linear business model, will endeavor to unlock value by broadening the investor base of its ventures.

Fixed Assets

(₹ million)

As on 31st March,	2013	2012
Freehold Land	466.66	466.66
Leasehold Land	-	81.70
Buildings	2,912.08	2,912.08
Improvement To Leasehold Premises	10.90	43.13
Office Equipments	528.63	463.03
Computer Hardware	471.62	203.17
Furniture and Fixtures	484.10	481.10
Vehicles	65.79	45.32
Intangible assets including Software. Technical know-how etc.	372.02	369.08
Gross Block	**5,311.80**	**5,065.28**
Less: Accumulated Depreciation/ Amortisation	541.76	367.95
Net Block	**4,770.04**	**4,697.33**
Capital work in progress (excluding capital advances)	-	7.91
Total Fixed Assets	**4,770.04**	**4,705.24**

Your Company has been investing and building necessary infrastructure to meet growing requirements of the business.

During the year, the additions to fixed assets (including adjustments in capital work in progress) were at ₹ 238.62 million.

Trade Receivables

As at the end of year, trade receivables (net of provision) were at ₹ 831.05 million as compared to ₹ 362.89 million at the end of the previous year.

Loans & Advances (current + non-current)

At the end of the year, Loans and advances (current + non-current) (net of provision) amounted to ₹ 6,913.68 million as against ₹ 5,404.97 million at the end of previous year. Increase is mainly due to loans and advances to subsidiary companies.

Cash & Cash Equivalents

At the end of the year cash & cash equivalent stood at ₹ 860.62 million as compared to ₹ 3,990.08 million at the end of the previous year. At the end of the year amount kept in deposits and foreign currency account (EEFC) were at ₹ 569.51 million.

Other Assets (current and non-current):

At the end of the year, other assets amounted to ₹ 388.82 million as against ₹ 301.47 million at the end of the previous year.

Revenue Analysis

During the year, revenue from operations stood at ₹ 4,509.01 million compared to ₹ 4,255.48 million in the previous year, an increase of 6.0%. Your Company mainly derived revenues from sale of IPR licenses, annual maintenance charges and project-based services, including software customization.

Other Income

During the year, other income stood at ₹ 2,065.20 million compared to ₹ 3,688.59 million in the previous year. Other Income includes dividend from investments, interest on deposits and investments, profit on sale of investments, rental income, foreign exchange gains and miscellaneous income. During the previous year ended 31st March 2012, the Company had offered part of its investments under "offer for sale", in initial public offer of equity by Multi Commodity Exchange of India Limited (MCX), part of its investments and the resultant profit of ₹ 2,498.21 million was included under Profit on sale of investments.

Expense Review

During the year, the operating and other expenses were at ₹ 1,895.71 million as compared to ₹ 1,783.90 million (excluding provision for other than temporary diminution in value of long term investment and Loss on sale/redemption/reduction in shares in subsidiary companies) in the previous year.

During the year finance cost was at ₹ 428.37 million as compared for ₹ 304.42 million, increased mainly due to interest on foreign currency loan for entire year as compared for part of the year in the previous year and also partly on account of provision made for estimated loss on Interest Rate Swap Contracts.

Profit

During the year,

- Profit before finance cost, depreciation and tax was ₹ 4,678.50 million, compared to ₹ 5,771.97 million in the previous year.
- Profit before tax and exceptional items were ₹ 4,024.73 million, compared to ₹ 5,294.53 million in the previous year.
- Profit after tax was ₹ 3,228.81 million, compared to ₹ 4,780.29 million in the previous year.

Cautionary Statements: This report may contain forward-looking statements about Financial Technologies (India) Ltd. and its group companies, including their business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or concern future financial performance (including revenues, earnings or growth rates), possible future Company plans and action. Forward-looking statements are based on current expectations and understanding about future events. They are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the industry in general. The Company's actual performance and events could differ materially from those expressed or implied by forward-looking statements made by the Company due to, but not limited to, important factors such as general economic, political and market factors in India and internationally, competition, technological change and changes in Government regulations.

4

CORPORATE GOVERNANCE

- Addendum to the report on the Corporate Governance of the Company
- Report on Corporate Governance

ADDENDUM
TO THE REPORT ON THE CORPORATE GOVERNANCE OF THE COMPANY

Dear Shareholders,

The Statutory Auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants have submitted their Audit Report, dual dated May 30, 2013 / November 29, 2013, on the Standalone Financial Statements of the Company for the year ended March 31, 2013, including the Supplementary Notes which are an addendum to the accompanying notes 1 to 48 to the Standalone Financial Statements. Accordingly, the Board of Directors (Board) at its meeting held on November 29, 2013, discussed, considered and approved this addendum to the Report on Corporate Governance.

The Report on Corporate Governance dated July 30, 2013 which was approved by Board and circulated to you as a part of Annual Report 2012-13 shall now be read in conjunction with this addendum to the Report on Corporate Governance and this addendum shall be treated as forming part of Annual Report 2012-13.

7. GENERAL BODY MEETINGS

Pursuant to the above, please note the following changes in clause 7.1 “Particulars of Special Resolutions passed in the previous three Annual General Meetings” and Clause 7.3 “Disclosures” of Clause 7 on page nos .53-54 of Annual Report 2012-13.

7.1 Particulars of Special Resolutions passed in the previous three Annual General Meetings

The Special Resolutions passed in 25th Annual General Meeting held on September 25, 2013 and the proposed Special Resolution for consideration and approval of the shareholders in the ensuing Adjourned 25th Annual General Meeting to be held on February 21, 2014 collectively will be incorporated in the Annual Report of Financial year 2013-14.

7.3 Disclosures:

Clause 7.3.4 of the Report on the Corporate Governance with respect to the Auditors’ Qualifications and Emphasis of Matter shall stand amended as under:

(b) Auditors’ qualifications on Standalone Financial Statements:

The Auditors’ qualifications and the management reply to the same have been disclosed in the Addendum No. 2 to the Directors Report on page nos 18-21. Therefore, to avoid the repetition, same are not being reproduced here.

(c) Emphasis of Matter:

Auditors’ Report on Standalone Financial Statements:

The Emphasis of Matter in the Auditors’ Report on the Standalone Financial Statements and the management reply to the same have been disclosed in the Addendum No. 2 to the Directors’ Report on page no 20. Therefore, to avoid the repetition, same are not being reproduced here.

Auditors’ Report on the Consolidated Financial Statements:

The Statutory Auditors of the Company, vide their letter dated September 23, 2013 inter alia informed the Company that as per Standard on Auditing (SA) 560 – Subsequent Events, issued by the Institute of Chartered Accountants of India (ICAI), the audit report dated May 30, 2013 issued by them on the Consolidated Financial Statements of the Company for the year ended March 31, 2013 should no longer be relied upon. The amended Consolidated Financial Statements are yet to be finalised in the absence of the Audited Consolidated Financial Statements of National Spot Exchange Limited for the year ended March 31, 2013. Hence, reference to the Emphasis of Matters related to the Consolidated Auditor’s Report shall stand deleted.

10. GENERAL SHAREHOLDER INFORMATION

Information on page no. 55 of Annual Report 2012-13 with respect to the Annual General Meeting shall stand amended as under:

10.1 Annual General Meeting

25th Annual General Meeting was held on September 25, 2013 and was adjourned *sine die* in order to defer few agenda items.

Adjourned 25th Annual General Meeting:

Date: Friday, February 21, 2014

Time: 2:00 pm

Venue: Tapovan Hall, Chinmaya Heritage Centre, No. 2,
13th Avenue, Harrington Road,
Chetpet, Chennai - 600 031,
Tamilnadu

11. LOCATION OF OFFICES

1. Chennai - Shakti Tower-1, 7th Floor, Premises-E, 766, Anna Salai, Thousand Lights, Chennai, Tamil Nadu - 600002.*

It is requested that all the above information be read in conjunction with the Report on Corporate Governance dated July 30, 2013, circulated to you as part of Annual Report 2012-13.

Place: Mumbai
Date: 29th November 2013

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

Duly revised Certificate from the Statutory Auditors of the Company confirming compliance with Corporate Governance norms, as stipulated in Clause 49 of the Listing agreement, is annexed to this Addendum to the Report on the Corporate Governance.

**w.e.f. December 2, 2013*

CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance for the Financial Year 2012-13 as per the format prescribed by the Securities and Exchange Board of India (SEBI) and as incorporated in Clause 49 as per the Listing Agreement is set out hereunder:

1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

Your company's corporate governance is based on a philosophy of trusteeship, transparency, empowerment, accountability, consistency and ethical corporate behaviour.

The Corporate Governance philosophy of the Company has been strengthened with the continuous monitoring of a Code of Conduct for Board of Directors and Senior Management and a Code for Prevention of Insider Trading. Your Company adheres to the corporate practices as per Clause 49 and also constantly strives to adopt emerging best practices globally.

Your Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreement entered into with Stock Exchanges with regards to Corporate Governance.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details are set out below:

2. BOARD OF DIRECTORS

2.1 Size and Composition of Board of Directors:

As on 31st March, 2013, the Board of Directors of the Company consists of nine (9) professionally competent members comprising two Promoter designated as Executive Directors, one Whole-time Director and six Non-Executive Directors, of which five are Independent and one Non-Independent Director. The composition of the Board of Directors is as per the table given below:

Name of Director	Director Identification Number (DIN)	Designation	Category	Shareholding in the Company as of 31st March, 2013 (no. of shares)
Mr. Jignesh P. Shah	00064913	Chairman & MD	Promoter & Executive Director	8,329,585
Mr. Dewang Neralla	00107134	Whole-time Director	Promoter & Executive Director	60,374
Mr. Manjay P. Shah	01283910	Whole-time Director	Executive Director	76,918
Mr. P. G. Kakodkar*	00027669	Director	Independent, Non-Executive	2,150
Mr. Chandrakant Kamdar	00348385	Director	Independent, Non-Executive	Nil
Mr. R. Devarajan	02604441	Director	Independent, Non-Executive	Nil
Mr. C. M. Maniar	00034121	Director	Independent, Non-Executive	Nil
Mr. Ravi K. Sheth	00022121	Director	Non-Independent, Non-Executive	2,489,762
Mr. P. R. Barpande	00016214	Director	Independent, Non-Executive	Nil

*ceased w.e.f. 20.07.2013

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

During the year, information mentioned in Annexure IA to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

2.2 Board Meetings

a) Number of Board Meetings held and the dates thereof:

The Board of Directors met five (5) times during the year. The dates of meetings being 30th May, 2012; 06th August, 2012; 31st October, 2012; 06th December 2012 and 28th January 2013. The maximum time gap between any two meetings was not more than four calendar months.

b) Attendance at the Board Meetings and the last Annual General Meeting:

The table mentioned below gives the attendance record of each Director at the Board Meetings held during FY 2012-13 as well as the last Annual General Meeting. It also gives details of the number of other Directorships and Chairmanship/Membership of Committees each Director holds in various Companies, as on 31st March, 2013.

Name of the Director	No. of Board Meetings held	Attendance Particulars		No. of other Directorships and Committee Membership/Chairmanship		
		Board Meeting	Last AGM	Directorship of other Indian Public Companies	Committee	
					Membership	Chairmanship
Mr. Jignesh P. Shah	5	2	No	5	--	--
Mr. Dewang S. Neralla	5	5	No	9	1	2
Mr. Manjay P. Shah	5	5	No	--	--	--
Mr. P. G. Kakodkar	5	3	No	4	2	--
Mr. Chandrakant Kamdar	5	5	Yes	--	--	--
Mr. R. Devarajan	5	5	Yes	5	5	1
Mr. C. M. Maniar	5	4	No	12	8	--
Mr. Ravi K. Sheth	5	1	No	2	1	--
Mr. P. R. Barpande	5	4	Yes	4	3	--

Notes:

1. None of the Directors of the Company hold memberships of more than ten committees nor are they Chairpersons of more than five committees (as specified in Clause 49), across all companies of which they are directors.
2. The committees considered for the above purpose are those as specified in the existing Clause 49 of the Standard Listing Agreement(s) i.e. Audit Committee, and Shareholders'/Investors' Grievance & Share Transfer Committee.

c) Code of Conduct:

The Company has formulated and implemented a Code of Conduct for the Board of Directors and Senior Management of the Company. Annual affirmation of compliance with the Code has been made by the Directors and Senior Management of the Company. The Code has also been posted on the Company's website www.ftindia.com. The necessary declaration by the Chairman & Managing Director of the Company regarding compliance of the Code of Conduct by Directors and Senior Management of the Company for the financial year ended 31st March 2013, forms a part of the Corporate Governance Report.

d) Insider Trading Policy:

The Company has implemented the Insider Trading System called "Financial Technologies (India) Limited - Code of Conduct for prevention of Insider Trading ("Share Dealing Code") to comply with the SEBI (Prohibition of Insider Trading) Regulations 1992 issued by SEBI, as amended from time to time.

2.3 The details of directorship of the Company's Directors in other Indian public Companies are given below:

Name of the Director	Other Directorship details
Mr. Jignesh P. Shah	(i) Indian Energy Exchange Ltd., (ii) Multi Commodity Exchange of India Ltd., (iii) MCX Stock Exchange Ltd., (iv) National Bulk Handling Corporation Ltd., (v) National Spot Exchange Ltd.
Mr. Dewang S. Neralla	(i) atom Technologies Ltd., (ii) Boursa India Ltd., (iii) Financial Technologies Communications Ltd., (iv) Global Payment Networks Ltd., (v) Indian Bullion Market Association Ltd., (vi) Riskraft Consulting Ltd., (vii) Tickerplant Ltd., (viii)Trans-Global Credit & Finance Ltd., (ix) FT Projects Ltd.
Mr. P. G. Kakodkar	(i) Apian Finance & Investment Ltd., (ii) Fomento Resorts and Hotels Ltd., (iii) Uttam Galva Steel Ltd., (iv) Accounts Receivable Management Services (India) Ltd.
Mr. Chandrakant Kamdar	Nil
Mr. R. Devarajan	(i) National Bulk Handling Corporation Ltd., (ii) National Spot Exchange Ltd., (iii) Riskraft Consulting Ltd., (iv) Tickerplant Ltd., (v) atom Technologies Ltd.
Mr. C. M. Maniar	(i) Multi Commodity Exchange of India Ltd., (ii) Foods & Inns Ltd., (iii) Godfrey Phillips India Ltd., (iv) Gujarat Ambuja Exports Ltd., (v) Hindalco Industries Ltd, (vi) Indo-Euro Investment Company Ltd., (vii) The Indian Card Clothing Company Ltd., (viii) Pioneer Investcorp Ltd., (ix) Sudal Industries Ltd., (x) TCPL Packaging Ltd., (xi) Varun Shipping Company Ltd., (xii) Utkal Alumina International Ltd.
Mr. Ravi K. Sheth	(i) Greatship (India) Ltd., (ii) The Great Eastern Shipping Co. Ltd.,
Mr. P. R. Barpande	(i) MCX-SX Clearing Corporation Ltd., (ii) Blossom Industries Ltd., (iii) Multi Commodity Exchange of India Ltd., (iv) Westlife Development Ltd.
Mr. Manjay P. Shah	Nil

2.4 Information provided to the Board:

The Board of the Company is presented with all the information whenever applicable and materially significant. This information is submitted either as a part of agenda papers or tabled before the Board Meeting or circulated to the members of the Board. This information inter-alia includes:

- Annual Budget including the capital budget and operating plan of the business.
- Un-audited quarterly results and its business segments.
- Minutes of the Audit Committee and other committees.
- Information on recruitment and remuneration of senior employees, including appointment and removal of Chief Financial Officer & Company Secretary.
- Materially important litigations, show-cause notices, demands, penalties and prosecution.
- Any material default in financial obligations to and by the Company or substantial non-payment for services rendered by the Company.
- Details of any Joint Venture or collaboration or any major new client wins.
- Fatal or serious accidents, dangerous occurrences etc.
- Transactions which involves substantial payment towards goodwill, brand equity or intellectual property.
- Any issue, which involves possible public liability claims of a substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken adverse view regarding another enterprise that can have negative implications on the Company.
- Any significant development in Human Resources/Industrial Relations front related right from recruitment to retirement issues.
- Sale of material nature of assets, investments, subsidiaries which is not in the normal course of business.
- Non-compliance of any regulatory or statutory provisions or listing requirements as well as services related to shareholders such as non-payment of dividend etc.
- Quarterly details of risk related areas which are material in nature and action initiated by the management to mitigate the same.

3. AUDIT COMMITTEE

3.1 Composition, Names of Members and Chairperson:

The Audit Committee comprises of four Independent Non-Executive Directors:

Name of the Member	Designation	Category
Mr. P. R. Barpande	Chairman/Member	Independent Director
Mr. Chandrakant Kamdar	Member	Independent Director
Mr. P. G. Kakodkar	Member	Independent Director
Mr. R. Devarajan	Member	Independent Director

3.2 Brief Description of terms of reference/Responsibility of the Audit Committee:

The Audit Committee of the Company, inter-alia, provides assurance to the Board on the adequacy of the internal control systems and financial disclosure.

The functioning of the committee includes the following:

3.2.1 To oversee the Company's financial reporting process and to ensure correct disclosure of financial information in the financial statement;

3.2.2 To recommend the appointment and removal of external auditor, fix audit fees and approval the payment for any other services;

3.2.3 To review, discuss with the Management and pre-approve the annual audited financial statements, and quarterly/half-yearly financial statements before submission to the Board focusing primarily on any changes in accounting policies and practices, major accounting entries based on the exercise of judgement by the Management, significant adjustments arising out of audit, the going concern assumptions, compliance with Accounting Standards, compliance with Stock Exchanges and legal requirements concerning financial statements, any related party transactions i.e. the Company's transactions of material nature with Promoters or Management or their relatives, its subsidiaries, etc. that may have potential conflict with the Company's interest at large;

3.2.4 To review with the management, external and internal auditors, the adequacy of internal control measures;

3.2.5 To review the adequacy of internal audit function;

3.2.6 To review the findings of internal investigations into matters where there is suspected fraud or irregularity or failure of internal control system of a material nature and report to the Board thereon;

3.2.7 To discuss with the internal auditors any significant findings, recommendations and follow up thereon;

3.2.8 To review the financial risk management policies of the Company;

3.2.9 To look into the reasons for substantial defaults in the payments to the shareholders and creditors, if any.

3.3 Meetings and Attendance:

The Audit Committee met four times during the year. The maximum time gap between any two meetings was not more than four calendar months. The Chief Finance Officer, Partners/Representatives of the Statutory Auditors and the Internal Auditors were some of the invitees to the Audit Committee meetings. The Company Secretary of the Company acts as the secretary to the Committee.

Name of the Member	No. of Audit Committee Meetings held	Attendance Particulars
Mr. P. R. Barpande	4	3
Mr. Chandrakant Kamdar	4	4
Mr. R. Devarajan	4	4
Mr. P. G. Kakodkar	4	3

4. RISK MANAGEMENT

The Risk Management Committee is inter-alia mandated to review and upgrade the process to address and minimize the operational, monetary and other risks associated with the Company on a continuous basis.

The Company has laid down procedures about the risk assessment and its mitigation. The procedures are reviewed periodically to ensure that risk is controlled through properly defined framework.

5. REMUNERATION AND COMPENSATION COMMITTEE

5.1 Composition, Names of Members and Chairperson

Remuneration and Compensation Committee comprises of four Independent Non-Executive Directors:

Name of the Member	Designation	Category
Mr. Chandrakant Kamdar	Chairman/Member	Independent Director
Mr. P. G. Kakodkar	Member	Independent Director
Mr. R. Devarajan	Member	Independent Director
Mr. P. R. Barpande	Member	Independent Director

5.2 Brief Description of terms of reference:

5.2.1 To review the overall compensation policy and service agreements of the Managing Director and Whole-time Directors and other employees of appropriate cadres;

5.2.2 To evaluate the remuneration paid by comparable organizations;

5.2.3 To review the performance of the Managing Director and Whole-time Director and recommend to the Board in this regard;

5.2.4 To monitor and implement the ESOS/ESOP Scheme and also formulate such schemes hereafter for grant of Stock Options to the employees including the Managing and the Whole-time Director (other than Promoter Directors) in accordance with the relevant regulations in force at the time; To issue and allot equity shares and recommend the same to the Board for its consideration and monitor proper implementation thereof.

During the year, the Committee met three times.

Name of the Member	No. of Remuneration & Compensation Meetings held	Attendance Particulars
Mr. Chandrakant Kamdar	3	3
Mr. P. G. Kakodkar	3	-
Mr. R. Devarajan	3	3
Mr. P. R. Barpande	3	3

5.3 Remuneration Policy:

The Company's inter-alia remuneration policy is determined by the success and performance of the individual employee and the Company. The performance of the individual employee is measured through an annual appraisal process. The Company, through its compensation program, attracts, develops, motivates and retains its talented workforce.

5.4 Directors' Remuneration:

i. Remuneration paid to the Executive Directors:

The aggregate value of salary, perquisites paid for the year ended 31st March, 2013 to the Managing Director and Whole-time Directors are as follows:

(in ₹)

Particulars	Jignesh Shah Managing Director	Dewang Neralla Whole-time Director	Manjay Shah Whole-time Director	TOTAL
Salaries and Allowances*	29,404,500	17,361,812	17,417,041	64,183,353
Monetary value of perquisites	387,916	10,800	39,600	438,316
Provision for compensated absences	490,075	289,364	290,284	1,069,723
Commission	150,000,000	-	-	150,000,000
TOTAL	**180,282,491**	**17,661,976**	**17,746,925**	**215,691,392**

*Excludes gratuity and compensated absences which are actuarially valued and where separate amounts are not identifiable

Besides, the Managing Director and the Whole-time Directors are also entitled to retirement benefits and encashment of leave, as per the rules of the Company. Notice period of one month is required, as per the terms of appointment. No fee/compensation is payable to the Directors on severance of directorship of the Company.

ii. Remuneration paid to the Non-Executive Directors

The Company pays sitting fees of ₹ 10,000/- per meeting to the Non-executive Directors for attending the meetings of the Board and of the Audit Committee. The gross sitting fees (including sitting fees paid for attending the meetings of the Directors' Committee) for the year ended 31st March, 2013 is as follows:

Name of the Director	Gross Sitting Fees (₹)
Mr. P. G. Kakodkar	60,000
Mr. Chandrakant Kamdar	90,000
Mr. R. Devarajan	90,000
Mr. C. M. Maniar	40,000
Mr. Ravi K. Sheth	10,000
Mr. P. R. Barpande	70,000

During the year, the Non-Executive Directors were not issued any stock options by the Company. For the details of shares held by Directors, refer section 2.1 of this Report.

6. SHAREHOLDERS'/INVESTORS' GRIEVANCE AND SHARE TRANSFER COMMITTEE

6.1 Composition, Names of Members and Chairperson:

The Committee comprises of:

Name of the member	Designation	Category
Mr. C. M. Maniar	Chairman/Member	Independent Director
Mr. Dewang S. Neralla	Member	Whole-time Director
Mr. Manjay P. Shah	Member	Whole-time Director

6.2 Compliance Officer:

Mr. Hariraj S. Chouhan, Vice-President & Company Secretary is the Compliance Officer and can be contacted at FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai – 400 093. **T:** +91-22-6686 8010 | **F:** +91-22-6725 0257 | **E:** info@ftindia.com

6.3 Brief Description of terms of reference:

The Committee, inter alia, approves transfer and transmission of shares, issuance of duplicate share certificates and reviews all the matters connected with share transfers. The Committee also looks into the redressal of shareholders/investors complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of dividends etc. received directly or through SEBI (SCORES), Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies etc. Moreover, the Committee oversees the performance of the Registrar & Transfer Agent of the Company. The Committee met seven (7) times during the year under review.

The status of nature of complaints received, resolved and pending during the financial year ended 31st March, 2013.

Nature of Complaints	Received	Resolved	Pending
Non-receipt of share certificate after transfer/merger/split/consolidation	8	8	--
Non-receipt of Annual Report	5	5	--
Non-receipt of Dividend	11	11	--
TOTAL	**24**	**24**	**--**

During the year, no share transfer/ complaints remained pending for more than 30 days. Also, there were no share transfers pending as on 31st March, 2013.

7. GENERAL BODY MEETINGS

7.1 The date, time and venue for the last three Annual General Meetings are mentioned hereunder:

Financial Year	Date	Time	Venue of the meeting
2009-10	29-09-2010	10.30 a.m.	Russian Cultural Centre,74, Kasturi Ranga Road, Chennai 600 018.
2010-11	29-09-2011	10.30 a.m.	Sri P. Obul Reddy Hall (Vani Mahal) 103, G. N. Chetty Road, T. Nagar, Chennai – 600017.
2011-12	27-09-2012	10.30 a.m.	Sri P. Obul Reddy Hall (Vani Mahal) 103, G. N. Chetty Road, T. Nagar, Chennai – 600017.

Particulars of Special Resolutions passed in the previous three Annual General Meetings:

Financial Year	Date of AGM	Particulars
2009-10	29-09-2010	i) Consent of the Shareholders for granting ESOPs under ESOS 2010 to the eligible employees/Directors of the Company. ii) Consent of the Shareholders for granting ESOPs under ESOS 2010 to the eligible employees/Directors of the Subsidiary/ies. iii) Consent of the Shareholders for issuing/offering Depository Receipts/other equity related instruments through International/Domestic Public Offering not exceeding ₹ 1,500 crore. iv) Revision in the salary of Mr. Manjay P. Shah holding office of profit in terms of section 314 (1B) of the Companies Act, 1956.
2010-11	29-09-2011	i) Consent of the Shareholders for issuing/offering Depository Receipts/other equity related instruments through International/Domestic Public Offering not exceeding ₹ 1,000 crore.
2011-12	27-09-2012	i) Re-appointment of Mr. Jignesh Shah as the Managing Director ii) Re-appointment of Mr. Dewang Neralla as the Whole-time Director iii) Appointment of Mr. Manjay Shah as the Whole-time Director

7.2 Postal Ballot:

During the last financial year, no special resolution was passed through postal ballot. The provisions relating to postal ballot will be complied with as per the provisions of the Companies Act, 1956, as and when a situation arises. Similarly, no business is required to be transacted through postal ballot at the forthcoming Annual General Meeting.

7.3 Disclosures:

7.3.1 The Company has not entered into any transaction of material nature with the Promoter, Directors or Management, or their relatives which may have potential conflict of interest with the Company at large. There were no material transactions with related parties that may have any potential conflict with the interest of the Company at large. Apart from receiving sitting fees, there is no pecuniary transaction with the Independent/Non-Executive Directors. Transactions with related parties are disclosed in Note No. 41 to the Standalone Accounts in the Annual Report.

7.3.2 There were no instances of non-compliances of any matter related to the capital markets, no penalties and strictures were imposed by Stock Exchanges or SEBI or any statutory authority during the last three years, except compounding fees of ₹ 30,000/- and ₹ 60,000/- paid by the Company and its Officers respectively to Ministry of Corporate Affairs in October 2012, for Section 224(8) of the Companies Act, 1956.

7.3.3 No personnel has been denied access to the Audit Committee.

7.3.4 The Company has fulfilled the non-mandatory requirements as prescribed in Annexure ID of Clause 49, which are as under:

a) Remuneration & Compensation Committee: For further details please refer clause 5 of this report.

b) Auditor's qualification: Nil

c) Emphasis of Matter:

Standalone Auditors' Report

- Please refer Note 37 to the financial statements regarding investments made in certain subsidiaries and a joint venture which have accumulated losses and the loans and advances/receivables from these entities, where the provision made for diminution, other than temporary, in the value of investments is considered to be adequate, for the reasons stated in the said Note.

Consolidated Auditors' Report

- Note 42 to the Consolidated Financial Statements regarding the associate Company's stand of not treating members' margin and income thereon as part of Settlement Guarantee Fund (SGF) contemplated under the directions of the Forward Market Commission (FMC) and instead crediting such margins to 'Other current liabilities' and such income to the Statement of Profit and Loss (amounts unascertained) for the reason stated therein.
- Note 2(C)(iii) to the Consolidated Financial Statements regarding Emphasis of Matter made by the auditors of a jointly controlled entity, wherein it is stated that the consolidated financial statements of the said entity for the year ended 31st December, 2012 have been prepared on a going concern basis, notwithstanding the said entity having incurred a loss ₹ 279.74 lacs (to the extent of the Group's share) and has net liabilities of ₹ 888.65 lacs (to the extent of the Group's share) as on that date, for the reasons stated in the said Note.

d) Training of Board Members: The Board members are updated about the business model of the Company and also its subsidiaries through presentations at various meetings and by circulating news articles, research report, monthly bulletins etc.

8. SUBSIDIARY COMPANIES:

The Audit Committee periodically reviews significant developments, transactions and arrangements entered into by the unlisted subsidiary Companies. The Audit Committee also reviews on quarterly basis the investments made by the Company into the unlisted Subsidiary Companies and reviews on yearly basis the consolidated financial statements of the Company. The minutes of the Board meetings of the material unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

9. MEANS OF COMMUNICATION

9.1 The quarterly results are published in newspapers, namely Trinity Mirror in English and Makkal Kural in the regional language.

9.2 The quarterly and half-yearly financials appear on our corporate website www.ftindia.com under the Investors section.

9.3 The Company's audited and un-audited financial results, press releases, other press coverage, press clippings, stock information, Annual Reports, etc, are posted on the Company's Website www.ftindia.com

9.4 The Company's financial results, shareholding pattern, corporate announcements, etc, are filed electronically through CFDS portal viz. www.corpfiling.co.in. Similarly, filings like shareholding pattern, corporate governance report etc are filed electronically on NEAPS, an electronic filing application developed by NSE.

9.5 Management's Discussion and Analysis Report: This information is covered elsewhere in this Annual Report.

9.6 CEO/CFO Certification: This information is covered elsewhere in this Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

10.1 Annual General Meeting:

Date : 25th September 2013, Wednesday

Time : 2.00 p.m.

Venue : Sri P. Obul Reddy Hall (Vani Mahal) 103, G. N. Chetty Road, T. Nagar, Chennai – 600 017.

10.2 Financial Calendar

Financial Year 1st April, 2013 to 31st March, 2014

Financial Reporting for the quarter ending as per Stock Exchange Listing Agreement
(tentative and subject to change):

30th June, 2013	By or before 14th August, 2013
30th September, 2013	By or before 14th November, 2013
31st December, 2013	By or before 14th February, 2014
31st March, 2014	By or before 30th May, 2014 (audited figures) as per Stock Exchange Listing Agreement

10.3 Book-Closure Date and Dividend Disclosure:

a) The Books shall be closed from 18th September, 2013 to 25th September, 2013 (both days inclusive) for the purpose of the ensuing Annual General Meeting. The Dividend, if approved by the shareholders at the Annual General Meeting, shall be paid to all shareholders whose names appear

- as beneficial owners at the end of the business day on 17th day of September 2013, as per the details available with NSDL & CDSL, and
- on the Register of Members as on 17th day of September 2013 of owners holding shares in physical form.

b) Announcement of Dividend:

The Board of Directors have proposed a final dividend of ₹ 2/- (i.e. 100%) per share subject to approval of the shareholders at the ensuing Annual General Meeting. This final dividend, if approved together with three interim dividends, aggregated to a total dividend of ₹ 8/- per share (i.e. 400%).

c) Mode of Payment and Date of Payment:

Final dividend shall be remitted through National Electronic Clearing Service (NECS)/at approved locations, wherever NECS details are available with the Company, and in all other cases, through warrants payable at par. These warrants shall be valid for a period of 90 days. Post-expiry of validity period, these may be sent to the Company's Corporate office at 8th Floor, FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai - 400 093, for issuance of Demand draft/Bankers cheque in lieu of expired warrants.

Date of Payment: Within the statutory time limit.

10.4 Listing

The equity shares of the Company are presently listed on the BSE Limited (formerly Bombay Stock Exchange Ltd.) (BSE), National Stock Exchange of India Ltd. (NSE), Ahmedabad Stock Exchange Ltd. (ASE) and Madras Stock Exchange Limited (MSE).

The Global Depository Receipts are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange and quoted on the International Order Book of the London Stock Exchange.

As on 31st March, 2013, there were 48,349 shareholders of the Company.

10.5 Stock Market Codes:

a) Trading Symbol:

Name of the Stock Exchanges	Scrip Code	Reuters	Bloomberg
BSE Ltd.	526881	FITE.BO	FTECH:IN
National Stock Exchange of India Ltd.	FINANTECH	FITE.NS	-
Madras Stock Exchange Ltd.	WTG	-	-
Ahmedabad Stock Exchange Ltd.	67641	-	-
Luxembourg Stock Exchange - (GDR)	FinTechnolIndia GDR ne	-	-

b) Depository for Equity Shares : NSDL and CDSL

c) Demat ISIN Number

- Equity share : INE111B01023

d) GDR Security Numbers

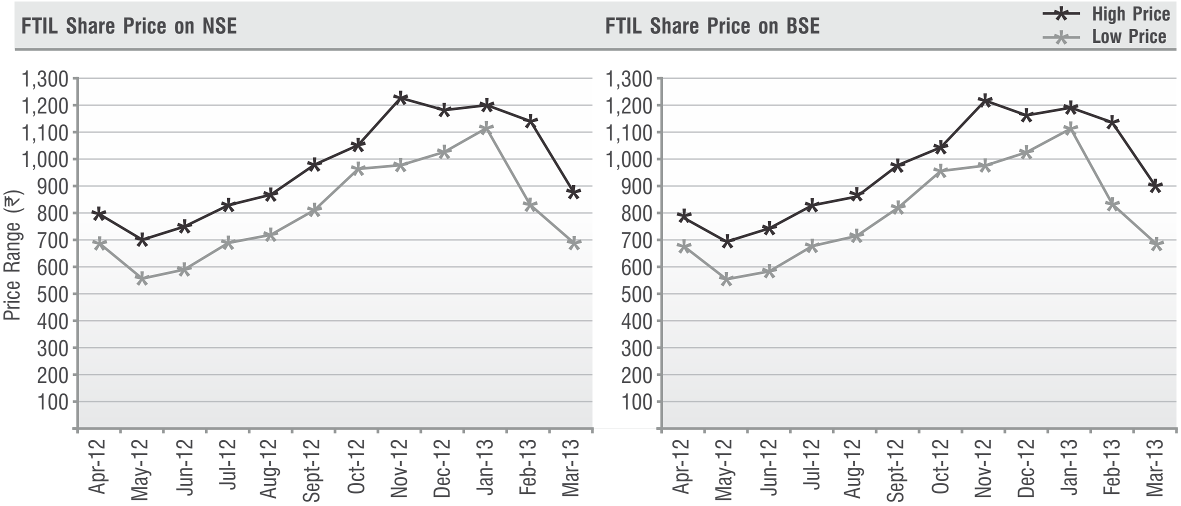
- Regulation S GDRs
  Master Regulation S GDR ISIN: US31769V2060
  Master Regulation S GDR Common Code: 032082424
  Master Regulations S GDR CUSIP: 31769V206
- Rule 144A GDRs
  Master Rule 144A GDR ISIN: US31769V1070
  Master Rule 144A GDR CUSIP: 31769V107
  Master Rule 144A GDR Common Code: 032082823

10.6 Stock Market Data:

(Price in ₹)

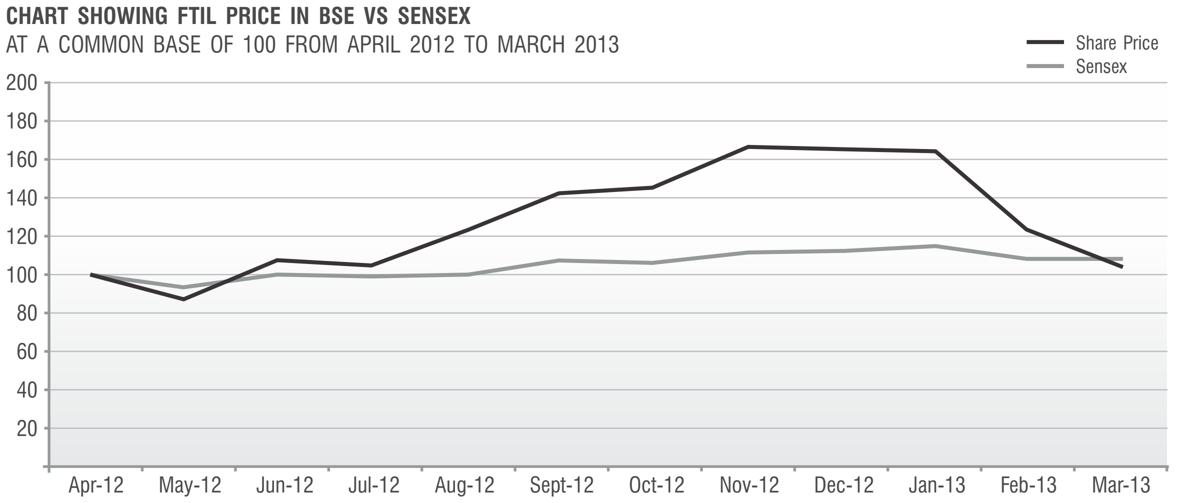
Month & Year	NSE High Price	NSE Low Price	NSE Volume Nos.	BSE High Price	BSE Low Price	BSE Volume Nos.
Apr-12	790.00	678.35	52,53,348	783.50	679.00	13,07,990
May-12	694.85	551.55	48,42,297	694.70	552.05	11,65,974
Jun-12	745.00	583.00	52,37,693	744.80	583.10	13,20,246
Jul-12	824.00	681.30	1,51,57,227	824.90	682.00	35,83,862
Aug-12	862.85	714.55	94,77,134	862.00	716.10	29,29,960
Sep-12	979.80	810.00	66,17,520	978.85	823.90	15,81,094
Oct-12	1,044.00	960.05	53,53,431	1,043.85	960.20	11,60,958
Nov-12	1,221.90	977.75	51,83,248	1,223.80	976.30	10,26,447
Dec-12	1,175.55	1,027.00	36,74,166	1,166.00	1,026.10	6,91,980
Jan-13	1,198.00	1,108.25	42,19,140	1,197.90	1,110.00	8,89,382
Feb-13	1,135.00	825.00	59,18,218	1,134.90	825.10	13,11,288
Mar-13	869.80	690.10	43,58,463	898.40	692.90	8,87,200

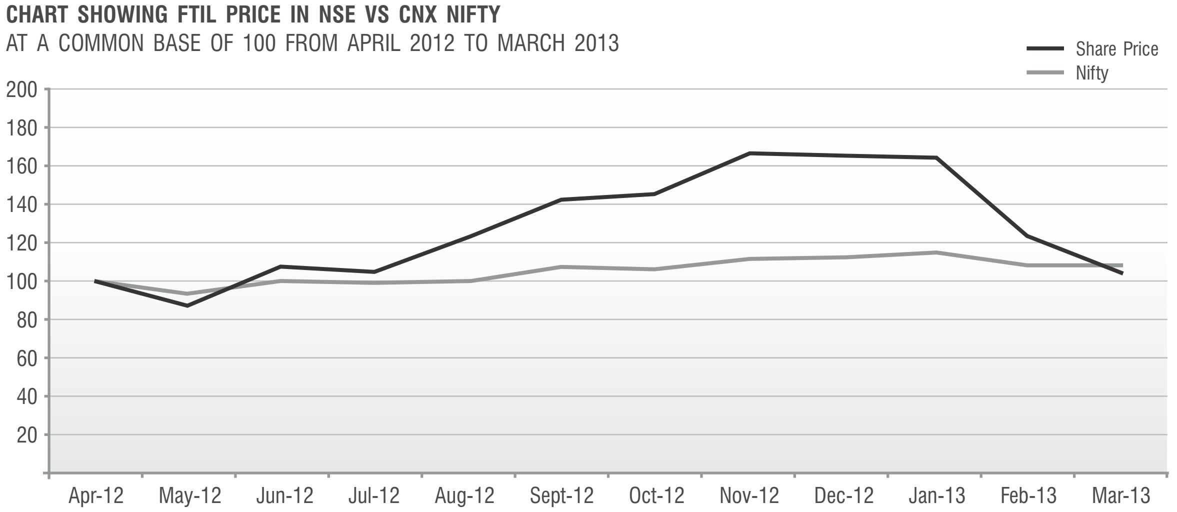
The market price data is given below, covering the period April 2012 to March 2013



10.7 Share Price Performance in broad based indices

Performance of the Company's shares vis-à-vis Sensex and CNX Nifty at a common base of 100 for the year-ended 31st March 2013 is given in the chart below:





10.8 Registrar & Transfer Agent:

Karvy Computershare Private Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081.
T: +91 040 2342 0818 | **F:** +91 040 2342 0814 | **E:** igkcpl@karvy.com

10.9 Share Transfer System:

Shares sent for transfer in physical form are generally registered and returned within a period of 15 days from the date of lodgment and demat requests are normally confirmed within an average period of 15 days, provided the documents are clear in all respects.

10.10 Dematerialisation of Shares and Liquidity:

The shares of the Company are compulsorily traded in dematerialized (electronic) form and available for trading under both the Depositories viz. NSDL and CDSL. As on 31st March, 2013, a total of 45,944,662 equity shares of the Company were dematerialised, forming 99.71% of the Company's total Share Capital.

Category	No. of Shareholders	% of Shareholders	No. of Equity Shares	% of Shares
Physical	464	0.96	133,875	0.29
Electronic				
Under CDSL	18,566	38.40	4,211,756	9.14
Under NSDL	29,319	60.64	41,732,906	90.57
TOTAL	**48,349**	**100.00**	**46,078,537**	**100.00**

Go Green Initiative:

As a part of Green initiative, the Company has taken necessary steps by sending documents viz., Notice of General Meeting, Annual Report etc. by e-mail. Accordingly, the members are requested to register their e-mail Ids with Registrar & Transfer Agent/Depository to enable the Company to send the documents by electronic mode. Physical copies shall be sent to all those members whose e-mail addresses are not registered with the Company and to those who have informed the Company that they wish to receive the documents in physical mode. Members may send their request to the email id: ftilgogreen@karvy.com.

10.11 Distribution of Shareholding and Shareholding Pattern as on 31st March, 2013

Category (Shares)	No. of holders	% to Holders	No. of Shares	% to Equity
1 - 500	46,912	97.02	2,248,845	4.88
501 - 1,000	709	1.47	524,956	1.13
1,001 - 2,000	309	0.64	451,794	0.98
2,001 - 3,000	113	0.23	281,157	0.61
3,001 - 4,000	56	0.12	197,170	0.43
4,001 - 5,000	38	0.08	179,374	0.39
5,001 - 10,000	80	0.17	579,358	1.26
10,001 - and above	132	0.27	41,615,883	90.32
TOTAL:	**48,349**	**100.00**	**46,078,537**	**100.00**

10.12 Shareholding Pattern:

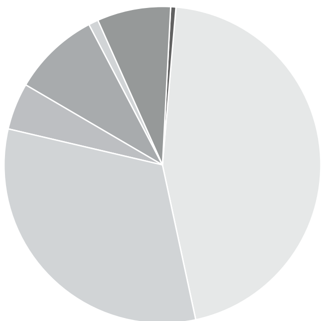
As on 31st March 2013	No. of Shares Held	% of Share Held
A. Promoter's Holding		
Indian Promoters:	21,027,582	45.63
(Promoters, Directors, their relatives and companies under their control)		
Foreign Promoters	----	-----
Sub Total (A)	**21,027,582**	**45.63**

As on 31st March, 2013	No. of Shares Held	% of Share Held
B. Public Shareholding:		
Institutional Investors:		
a) Mutual Funds	3,455,011	7.50
b) Banks	93,119	0.20
c) Foreign Institutional Investors	11,161,836	24.22
d) Financial Institutions	36,203	0.08
Non-Institutional Investors:		
a) Private Corporate Bodies	1,605,772	3.49
b) Indian Public	4,524,887	9.82
c) NRIs	195,809	0.42
d) Others	3,869,724	8.40
Subtotal (B)	**24,942,361**	**54.13**
GDRs underlying Equity shares	108,594	0.24
Subtotal (C)	**108,594**	**0.24**
GRAND TOTAL (A+B+C)	**46,078,537**	**100.00**

Notes:

1. The Company issued 11,639,677 GDRs in F.Y. 2007-08, whereby seven GDRs represent one equity share of a nominal value of ₹ 2/- each.
2. The total foreign holding is 11,466,239 shares, i.e. 24.88% of the total share capital.

Shareholding Pattern



Indian Promoters	**45.63%**
Institutional Investors	**32.00%**
Private Corporate Bodies	**3.49%**
Indian Public	**9.82%**
NRIs	**0.42%**
Others	**8.40%**
GDRs	**0.24%**

10.13 Statutory Compliance:

During the year, your Company has complied with all applicable provisions, filed all returns/forms and furnished all relevant particulars as required under the Companies Act, 1956 and allied Acts and Rules, the Securities and Exchange Board of India (SEBI) Regulations and the Listing Agreements with Stock Exchanges.

10.14 Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity:

10.14.1 Employee Stock Option Scheme (ESOP)

During the financial year 2011-12, the Remuneration and Compensation Committee ('Committee') under ESOP Schemes 2009 and 2010, granted 1,800,000 stock options to various employees at an exercise price of ₹ 770/- per share. Further, from the available options out of lapsed/cancelled stock options on 5th March 2013, the Committee granted 74,350 and 112,280 stock options under ESOP Scheme 2009 and ESOP Scheme 2010 respectively, at an exercise price of ₹ 807.70 per share. As on 31st March 2013, 892,500 and 880,955 stock options under ESOP Scheme 2009 and ESOP Scheme 2010 respectively, are in force.

10.14.2 Global Depository Receipts (GDRs)

The outstanding GDR as on 31st March, 2013 were 760,158.

11. LOCATION OF OFFICES:

1. Chennai: Doshi Towers, First Floor, 1A & B, 156, Periyar, EVR Salai, Kilpauk, Chennai – 600 010.

2. Mumbai: FT Tower CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai – 400 093.

12. INVESTOR CORRESPONDENCE:

All routine correspondence regarding transfer and transmission of shares, split, consolidation and issue of duplicate/renewed share certificates, etc. should be addressed to the Company's Registrars and Share Transfer Agents.

a) Complaints/grievances, if any, should be addressed to

Vice President & Company Secretary

Financial Technologies (India) Ltd.

FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai – 400 093.

T: +91 22 6686 8010 | **F:** +91 22 6725 0257 | **E:** info@ftindia.com

b) Financial queries, if any, should be addressed to

Investor Relations Department

Financial Technologies (India) Ltd.

FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai – 400 093.

T: +91 22 6686 8010 | **F:** +91 22 6725 0257 | **E:** info@ftindia.com

13. UNPAID/UNCLAIMED DIVIDEND:

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account, is required to be transferred by a company to the Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of section 205C of the Companies Act, 1956.

During the year, your Company transferred ₹ 99,659/- (Rupees Ninety Nine Thousand Six Hundred Fifty Nine only) for Final dividend 2004-2005 and ₹ 177,452/- (Rupees One lakh Seventy seven thousand four hundred fifty two only) for interim dividend 2005-06, to Investor Education and Protection Fund (IEPF) on 23rd November, 2012 and 22nd December 2012, respectively.

Shareholders of the Company who have either not received or have not encashed their dividend warrants, for Final Dividend 2005-06, Interim and Final Dividend 2006-07, Interim and Final Dividend 2007-08, Interim and Final Dividend 2008-09, Interim and Final Dividend 2009-10, Interim and Final Dividend 2010-11, Interim and Final Dividend 2011-12, and Interim dividend 2012-13, are requested to claim the unpaid/unclaimed dividend from the Company/Share Transfer Agent of the Company before it is transferred to the IEPF.

Particulars	Rate of Dividend	Date of Declaration	Due for Transfer on or before
Final Dividend 2005-06	260%	29th September, 2006	03rd December, 2013
1st Interim Dividend 2006-07	40%	31st July, 2006	04th October, 2013
2nd Interim Dividend 2006-07	40%	31st October, 2006	04th January, 2014
3rd Interim Dividend 2006-07	40%	31st January, 2007	06th April, 2014
4th Interim Dividend 2006-07	180%	16th April, 2007	20th June, 2014
Final Dividend 2006-07	100%	28th September, 2007	02nd December, 2014
1st Interim Dividend 2007-08	50%	31st July, 2007	04th October, 2014
2nd Interim Dividend 2007-08	350%	31st October, 2007	04th January, 2015
3rd Interim Dividend 2007-08	400%	17th January, 2008	23rd March, 2015
Final Dividend 2007-08	200%	28th August, 2008	02nd November, 2015

Contd.

Particulars	Rate of Dividend	Date of Declaration	Due for Transfer on or before
1st Interim Dividend 2008-09	200%	31st July, 2008	05th October, 2015
2nd Interim Dividend 2008-09	100%	31st October, 2008	05th January, 2016
3rd Interim Dividend 2008-09	100%	24th January, 2009	30th March, 2016
Final Dividend 2008-09	100%	25th September, 2009	29th November, 2016
1st Interim Dividend 2009-10	100%	30th July, 2009	03rd October, 2016
2nd Interim Dividend 2009-10	100%	29th October, 2009	02nd January, 2017
3rd Interim Dividend 2009-10	100%	29th January, 2010	04th April, 2017
Final Dividend 2009-10	100%	29th September, 2010	03rd December, 2017
1st Interim Dividend 2010-11	100%	11th August, 2010	15th October, 2017
2nd Interim Dividend 2010-11	100%	09th November, 2010	13th January, 2018
3rd Interim Dividend 2010-11	100%	27th January, 2011	2nd April, 2018
Final Dividend 2010-11	100%	29th September, 2011	03rd December, 2018
1st Interim Dividend 2011-12	100%	10th August, 2011	14th October, 2018
2nd Interim Dividend 2011-12	100%	11th November, 2011	15th January, 2019
3rd Interim Dividend 2011-12	100%	31st January, 2012	06th April, 2019
Final Dividend 2011-12	100%	27th September, 2012	02nd December, 2019
1st Interim Dividend 2012-13	100%	6th August, 2012	11th October, 2019
2nd Interim Dividend 2012-13	100%	31st October, 2012	05th January, 2020
3rd Interim Dividend 2012-13	100%	28th January, 2013	3rd April, 2020

14. SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL:

As stipulated by SEBI, a qualified Practising Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

Information on Directors Re-appointment:

As required under Clause 49 of the Listing Agreement, particulars of the Director seeking re-appointment are given hereunder:

Directors retiring by rotation, being eligible, offering themselves for re-appointment

Name of the Director	Mr. Ravi K. Sheth
Date of Birth	02-04-1961
Date of appointment on the Board	15-09-1994
Qualifications	B.Com. MBA (Babson College, Wellesley, USA)
Expertise	Business experience of over 27 years
Directorship held in other companies (excluding foreign and private companies)	Greatship (India) Ltd. The Great Eastern Shipping co. Ltd.
Membership/Chairmanship of committees across public companies	Greatship (India) Ltd.
Number of shares held in the Company	2,489,762

Name of the Director	Mr. C. M. Maniar
Date of Birth	04-12-1935
Date of appointment on the Board	15-10-2010
Qualifications	B.Com., L.L.B., M.A. (Economics & Politics)
Expertise	Over four decades of experience in Legal Profession, Senior Partner of Crawford Bayley & Co., Solicitors & Advocates.
Directorship held in other companies (excluding foreign and private companies)	Multi Commodity Exchange of India Ltd., Foods & Inns Ltd., Godfrey Phillips India Ltd., Gujarat Ambuja Exports Ltd., Hindalco Industries Ltd., Indo-Euro Investment Company Ltd., The Indian Card Clothing Company Ltd., Pioneer Investcorp Ltd., Sudal Industries Ltd., TCPL Packaging Ltd., Varun Shipping Company Ltd., Utkal Alumina International Ltd.
Membership/Chairmanship of committees across public companies	Member of Audit Committee in: Multi Commodity Exchange of India Ltd., Hindalco Industries Ltd., Pioneer Investcorp Ltd., TCPL Packaging Ltd. and Varun Shipping Company Ltd. Member of Shareholders/investors grievance Committee and Share Transfer Committee in: Hindalco Industries Ltd., Pioneer Investcorp Ltd. and Godfrey Philips India Ltd.
Number of shares held in the Company	Nil

Place: Mumbai
Date: 30th July 2013

DECLARATION BY THE CHAIRMAN AND MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE TO THE CODE OF CONDUCT

I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2013.

For **Financial Technologies (India) Ltd.**

Place: Mumbai
Date: 30th May 2013

Jignesh Shah
Chairman and Managing Director

CERTIFICATION OF FINANCIAL STATEMENTS OF THE COMPANY BY THE CHIEF EXECUTIVE OFFICER (CEO) AND THE CHIEF FINANCIAL OFFICER (CFO)

We, Jignesh Shah, Chairman & Managing Director, and Devendra Agrawal, Chief Financial Officer, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2013 and to the best of our knowledge and belief;
   - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
   - these statements together present a true and fair view of the company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have also evaluated the effectiveness of the internal control systems of the Company with respect to financial reporting and deficiencies in the design or operation of internal controls, if any, have been disclosed to the Auditors and the Audit Committee. They have been intimated about the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee of
   i. significant changes in internal control during the year;
   ii. significant changes in accounting policies during the year; the same have been disclosed in the notes to the financial statements; and
   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee who has a significant role in the Company's internal control system over financial reporting.

Jignesh Shah	**Devendra Agrawal**
Chairman and Managing Director	Chief Financial Officer

Place: Mumbai
Date: 30th May 2013

ADDENDUM TO THE CERTIFICATE DATED 30TH MAY 2013 OF THE FINANCIAL STATEMENTS OF THE COMPANY BY THE CHIEF EXECUTIVE OFFICER (CEO) AND THE CHIEF FINANCIAL OFFICER (CFO)

With respect to paragraph 1 of the CEO & CFO certificate dated 30th May 2013 herein above, the financial statements referred to in the said paragraph are to be read in conjunction with the Supplementary Notes which are an addendum to the accompanying Notes 1 to 48 to the standalone financial statements of the Company for the year ended March 31, 2013 [together "the financial statements (as amended)"].

Jignesh Shah	**Devendra Agrawal**
Chairman and Managing Director	Chief Financial Officer

Place: Mumbai
Date: 29th November 2013

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Financial Technologies (India) Limited

1. We have examined the compliance of the conditions of Corporate Governance by **FINANCIAL TECHNOLOGIES (INDIA) LIMITED** ("the Company"), for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreements of the Company with relevant stock exchanges.

2. Subsequent to the issue of our earlier Certificate dated 30th July, 2013 on the compliance of the conditions of Corporate Governance by the Company for the year ended on 31st March, 2013, the Company has given the following two addendums dated 29th November, 2013: (i) Addendum to the Certificate dated 30th May, 2013 on the Financial Statements of the Company by the Chief Executive Officer and the Chief Financial Officer; and (ii) Addendum to the Report (dated 30th July, 2013) on the Corporate Governance of the Company.

   Accordingly, at the request of the Company, we have carried out a further review restricted to and solely of the procedures and implementation thereof adopted by the Company in respect of the matters covered in the above mentioned addendums for ensuring compliance with the conditions of Corporate Governance by the Company for the year ended on 31st March, 2013, to the extent stipulated in Clause 49 (V) [relating to CEO / CFO Certification] and Clause 49 (VI) [relating to Report on Corporate Governance] of the Listing Agreements.

3. The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. Read with our comments in paragraph 2 above, in our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied, in all material respects, with the conditions of Corporate Governance for the year ended on 31st March, 2013, as stipulated in Clause 49 of the above mentioned Listing Agreements.

5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the state of affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No.117366W/W-100018)

Place: Mumbai
Date: 20th December, 2013

Rajesh K. Hiranandani
Partner
(Membership No.: 036920)

5

FINANCIALS

- Standalone

Financials
STANDALONE

INDEPENDENT AUDITORS' REPORT

to the Members of Financial Technologies (India) Limited

Report on the Financial Statements (as amended)

1. We have audited the accompanying financial statements (as amended) of **FINANCIAL TECHNOLOGIES (INDIA) LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, a summary of the significant accounting policies and other explanatory information, and the Supplementary Notes which are an addendum to the accompanying Notes 1 to 48 to these financial statements and which have been approved by the Board of Directors of the Company at their meeting held on 29th November, 2013 [together "the financial statements (as amended)"].

2. The original financial statements of the Company for the year ended 31st March, 2013 were approved by the Board of Directors at their meeting held on 30th May, 2013 and we had issued our audit report dated 30th May, 2013 on those financial statements.

   National Spot Exchange Limited (NSEL) is a subsidiary of the Company in which it holds 99.99% equity share capital. In the light of the investment of the Company in NSEL and the transactions between the Company and NSEL, the financial statements of NSEL for the year ended 31st March, 2013 have a direct and material impact and bearing on the financial statements of the Company for the year ended 31st March, 2013. The financial statements of NSEL for the year ended 31st March, 2013 were audited by other auditors and these were considered and relied upon by us for the purpose of our audit of the financial statements of the Company for the year ended 31st March, 2013.

   Pursuant to the developments relating to NSEL, the management of NSEL, by their letter dated 20th September, 2013, communicated to its auditors and the Company that it was not possible for NSEL to immediately ascertain the financial implications (with respect to, inter alia, the various irregularities in the operations of NSEL coming to light, agencies looking at the legality of contracts and warehouse receipts and income booked by NSEL therefrom, ongoing investigations and forensic audit) and whether its books and records presented as of 31st March, 2013 are true and fair and what adjustments needs to be carried out with a view to present a correct financial position. Consequently, the auditors of NSEL and its subsidiary, Indian Bullion Market Association Limited (IBMA), in which NSEL has 60.88% equity ownership, citing various developments, investigations and audits relating to NSEL, have communicated to NSEL and IBMA, by their letters dated 21st September, 2013, that the standalone and consolidated financial statements of NSEL and the standalone financial statements of IBMA for the year ended 31st March, 2013 and their audit reports dated 17th May, 2013 and 16th May, 2013 on the said financial statements of NSEL and IBMA, respectively, are no longer to be relied upon.

   In view of the aforesaid communications dated 20th September, 2013 and 21st September, 2013 from the management and the auditors of NSEL, respectively, provided to us by the Management of the Company, in accordance with the provisions of Standard on Auditing (SA) 560 – Subsequent Events, issued by the Institute of Chartered Accountants of India (ICAI), we communicated to the Management and those charged with Governance of the Company on 23rd September, 2013 that our audit report dated 30th May, 2013 should no longer be relied upon.

Management's Responsibility for the Financial Statements

3. The Company's Management is responsible for the preparation of these financial statements (as amended) that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

4. Our responsibility is to express an opinion on these financial statements (as amended) based on our audit. *Except as stated in the Other Matter paragraph 15 below,* we conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

6. We believe that, *except as indicated in this report,* the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

7. *As stated in Supplementary Note 1 to the financial statements (as amended) by the Management of the Company, the quantum of diminution, if any, in the value of long term investments in NSEL cannot be ascertained as at 31st March, 2013 or at the date on which the financial statements of the Company were approved by the Board of Directors i.e. on 30th May, 2013, and accordingly no provision was considered necessary by the Management towards diminution in the value of the Company's long-term investment in NSEL of ₹ 4,499.99 lacs as at 31st March, 2013.*

INDEPENDENT AUDITORS' REPORT

to the Members of Financial Technologies (India) Limited

In view of the developments relating to NSEL, which represent a subsequent discovery of facts existing on the date of the Balance Sheet, in our opinion, there are indications of 'other than temporary' diminution in the carrying amount of the Company's investment in NSEL as at 31st March, 2013. However, in the absence of the audited financial statements of NSEL for the year ended 31st March, 2013 (refer paragraph 2 above), non-availability of estimation of future cash flows and earning capacity of NSEL and suspension of NSEL's operations, we have not been able to obtain sufficient appropriate audit evidence to determine the amount of provision that would need to be made for diminution in the carrying amount of the Company's investment in NSEL of ₹ 4,499.99 lacs as at 31st March, 2013, in accordance with Accounting Standard (AS) 13, 'Accounting for Investments'.

8. *As stated in Supplementary Note 2 to the financial statements (as amended), the Company has recognised income of ₹ 3,452.00 lacs from NSEL during the year ended 31st March, 2013 from rendering of various services to NSEL, which includes a variable component of ₹ 2,927.60 lacs. As on 31st March, 2013, the total amount receivable from NSEL on this account was ₹ 2,489.27 lacs, which has been realized subsequently in the financial year 2013-14.*

   The above variable component comprises:

   (a) *revenue of ₹ 2,841.46 lacs towards software maintenance and support services derived on the basis of the underlying revenue recognized by NSEL on account of "transaction fees, delivery charges, warehouse receipt transfer charges for trading, settlement and delivery activities" for the year ended 31st March, 2013, pursuant to agreements/contracts, and*

   (b) *revenue of ₹ 86.14 lacs towards business support services derived on the basis of the underlying gross profits earned on the merchandising activities by NSEL for the year ended 31st March, 2013.*

   However, as stated in paragraph 2 above, the management of NSEL have communicated that they are not in a position to determine whether its books and records presented as of 31st March, 2013 are true and fair and what adjustments needs to be carried out with a view to present a correct financial position due to, inter alia, the various irregularities in the operations of NSEL coming to light, agencies looking at the legality of contracts and warehouse receipts and income booked by NSEL therefrom, ongoing investigations and forensic audit. Further, the auditors of NSEL, citing various developments, investigations and audits relating to NSEL, have also communicated that the financial statements of NSEL for the year ended 31st March, 2013 and their audit reports thereon are no longer to be relied upon.

   In view of our aforesaid comments and in the absence of sufficient appropriate audit evidence, particularly, in the absence of the audited financial statements of NSEL for the year ended 31st March, 2013, which we could place reliance on to validate the underlying elements of revenue and gross profits of NSEL based on which the above mentioned variable component of revenue has been derived and accounted for by the Company, significant uncertainty exists regarding the amount of the consideration that could be derived from rendering the service and, hence, we are unable to determine the extent to which the above mentioned revenue aggregating ₹ 2,927.60 lacs should be de-recognized and postponed by the Company, in compliance with the recognition and measurement principles stated in Accounting Standard (AS) 9, 'Revenue Recognition'.

9. *As stated by the Management of the Company in Supplementary Note 5 to the financial statements (as amended), there are writ petitions, Public Interest Litigations, civil suits filed against NSEL wherein the Company has been made a formal party in the writ petitions and civil suits and the matters are pending adjudication. In addition, there is a First Information Report registered, inter alia, against the Company with the Economic Offences Wing. Further, in the said Supplementary Note 5 to the financial statements (as amended), the Management of the Company has, based on its interpretation, understanding and assessment as described therein, stated that at this stage there are no direct ascertainable financial claims against the Company, and hence the direct financial implications on the Company, if any, that may arise due to the matters relating to NSEL cannot be ascertained. In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said Supplementary Note 5 to the financial statements (as amended), there are no claims/litigations/potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the financial statements (as amended).*

   In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on these financial statements (as amended).

10. *The matters stated above could also have a consequential impact on the measurement and disclosures of information provided under, but not limited to, managerial remuneration, provision for tax, cash flow statement, segment information, related parties and earnings per share for the year ended 31st March, 2013, in these financial statements (as amended).*

Qualified Opinion

11. In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs above,* the financial statements (as amended) 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:

    (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

    (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

    (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

INDEPENDENT AUDITORS' REPORT

to the Members of Financial Technologies (India) Limited

Emphasis of Matter

12. We draw attention to Note 37 to the financial statements (as amended) regarding investments made in certain subsidiaries (which exclude NSEL and its subsidiaries – refer paragraph 7 above) and a joint venture which have accumulated losses and the loans and advances to / receivables from these entities, where the provision made for diminution, other than temporary, in the value of investments is considered to be adequate by the Management of the Company for the reasons stated in the said Note.

    Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order as reported in our audit report dated 30th May, 2013 on the original financial statements, *except for the consequential amendments made in item (xiii) due to the matters discussed in this report.*

14. As required under the provisions of Section 227(3) of the Act, we report that:

    (a) *Except for the matters described in the Basis for Qualified Opinion paragraphs above,* we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

    (b) *Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs above,* in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) *Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs above,* in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

    (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

Other Matter

15. We have restricted our additional audit procedures on the events subsequent to 30th May, 2013, ('subsequent events') as defined under SA 560 solely to the matters described in the Supplementary Notes to the financial statements (as amended) which relate to the discovery of facts subsequent to 30th May, 2013, but which were existing as at that date, and which are the cause for the amendments to the original financial statements, except that we have not carried out any audit procedures in relation to Supplementary Note 12 to the financial statements (as amended), describing certain events which, according to the Management of the Company, have been informed to the Company by NSEL.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

Rajesh K Hiranandani
Partner
(Membership No. 036920)

Mumbai: 30th May, 2013 (29th November, 2013 as to effect the amendments arising from the matters referred to in paragraph 15 under Other Matter)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 13 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business/activities/results during the year, clauses (vi), (viii), (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of Paragraph 4 of the Order are not applicable to the Company.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) According to the information and explanations given to us, the Company does not have any inventories as at the balance sheet date since they are being directly delivered to the customers on procurement and therefore, the question of reporting on whether: physical verification has been carried out at reasonable intervals; procedures of physical verification of inventories were reasonable and adequate; and discrepancies noticed on physical verification were material, does not arise. On the basis of our examination, in our opinion, the Company has maintained proper records of its inventories.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(v) In our opinion and according to the information and explanations given to us and having regard to the nature of the Company's business, a comparison of prices could not be made, in respect of income from software products and software services and in respect of some of the items purchased being of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and income from software products and software services. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

(vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(viii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax and Excise Duty which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (₹ lacs)
Finance Act, 1994	Service Tax	Commissioner of Service Tax	July 9, 2004 to October 6, 2005; and December, 2004 to March, 2007	244.50
Central Excise Act, 1944	Excise duty (including interest and penalty)	Central Excise and Service Tax Appellate Tribunal	March 1, 2006 to December 20, 2006	203.69
Maharashtra Value Added Tax Act, 2002	Value Added Tax (including interest and penalty)	Joint Commissioner of Sales Tax (Appeal)	2005-2006 to 2009-2010	74.35
Central Sales Tax Act, 1956	Central Sales Tax	Joint Commissioner of Sales Tax (Appeal)	2006-2007	3.12
Income - tax, Act, 1961	Income-tax	Deputy Commissioner of Income Tax (Appeals)	Assessment years: 2009-2010	1,374.79

There were no unpaid disputed dues in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Wealth Tax and Customs Duty as on 31st March, 2013.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 13 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company does not have any dues to financial institutions and has not issued any debentures.

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by its subsidiary companies from banks and financial institutions are not, *prima facie,* prejudicial to the interests of the Company.

(xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.

(xii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.

(xiii) To the best of our knowledge and according to the information and explanations given to us, *except for the matters arising from NSEL as described in the Supplementary Notes 5, 9 and 12 to the financial statements (as amended) and the matters described in the Basis for Qualified Opinion paragraph 9 of our Auditors' Report on which we are unable to comment at this stage,* no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Registration No: 117366W / W-100018)

Rajesh K Hiranandani
Partner
(Membership No. 036920)

Mumbai: 30th May, 2013 (29th November, 2013 as to effect the amendments arising from the matters referred to in paragraph 15 under Other Matter)

BALANCE SHEET

as at 31st March, 2013

(₹ lacs)

	Note No.	As at **31.03.2013**	As at **31.03.2012**
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	921.57	921.57
(b) Reserves and surplus	4	266,761.81	240,336.90
		267,683.38	241,258.47
2 Non-current liabilities			
(a) Long-term borrowings	5	59,828.23	56,272.15
(b) Deferred tax liabilities (net)	6	2,382.88	1,373.33
(c) Other long-term liabilities	7	276.72	15.15
(d) Long-term provisions	8	2,153.50	1,457.17
		64,641.33	59,117.80
3 Current liabilities			
(a) Trade payables	9	2,034.63	1,312.79
(b) Other current liabilities	10	23,371.23	18,219.10
(c) Short-term provisions	11	1,419.05	1,542.35
		26,824.91	21,074.24
TOTAL		**359,149.62**	321,450.51
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12A	45,607.32	44,303.58
(ii) Intangible assets	12B	2,093.11	2,669.72
(iii) Capital work-in-progress		-	79.12
		47,700.43	47,052.42
(b) Non-current investments	13	89,464.66	82,198.15
(c) Long-term loans and advances	14	60,696.63	46,509.24
(d) Other non-current assets	15	896.86	1,348.84
		198,758.58	177,108.65
2 Current assets			
(a) Current investments	16	132,042.90	91,605.70
(b) Trade receivables	17	8,310.47	3,628.93
(c) Cash and Cash equivalents	18	8,606.20	39,900.83
(d) Short-term loans and advances	19	8,440.16	7,540.49
(e) Other current assets	20	2,991.31	1,665.91
		160,391.04	144,341.86
TOTAL		**359,149.62**	321,450.51
See accompanying notes forming part of the financial statements	**1 to 48**		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 30th May, 2013

For and on behalf of the Board

Jignesh Shah
Chairman & Managing Director

P. R. Barpande
Director

Naishadh Desai
Sr. Vice President (Legal)
& Company Secretary

Devendra Agrawal
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2013

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 30th May, 2013 (29th November, 2013 as to effect the amendments arising from the matters referred to in paragraph 15 under Other Matter of our Audit Report)

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(₹ lacs)

	Note No.	Year Ended **31.03.2013**	Year Ended **31.03.2012**
Income			
Revenue from operations	21	45,090.10	42,554.81
Other income	22	20,651.99	36,885.89
Total revenue		**65,742.09**	79,440.70
Expenses			
Purchases of stock-in-trade	23	31.83	281.34
Employee benefits expense	24	12,410.70	11,248.10
Finance costs	25	4,283.74	3,044.23
Depreciation and amortisation expense	26	2,253.99	1,730.10
Other expenses	27	6,514.55	10,191.59
Total expenses		**25,494.81**	26,495.36
Profit before tax		**40,247.28**	52,945.34
Tax expense/(credit)			
(a) Current tax expense for current year		6,949.67	10,133.02
(b) Less: MAT credit		-	(6,276.00)
(c) Current tax expense relating to prior years		-	1,113.60
(d) Net current tax expense		6,949.67	4,970.62
(e) Deferred Tax		1,009.55	171.79
Net tax expense		**7,959.22**	5,142.41
Profit for the year		**32,288.06**	47,802.93
Earnings per share:	36		
Basic per share (in ₹)		70.07	103.74
Diluted per share (in ₹)		69.48	103.74
Face Value Per Share (in ₹)		2	2
See accompanying notes forming part of the financial statements	**1 to 48**		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 30th May, 2013

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 30th May, 2013 (29th November, 2013 as to effect the amendments arising from the matters referred to in paragraph 15 under Other Matter of our Audit Report)

For and on behalf of the Board

Jignesh Shah
Chairman & Managing Director

P. R. Barpande
Director

Naishadh Desai
Sr. Vice President (Legal)
& Company Secretary

Devendra Agrawal
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(₹ lacs)

		Year Ended 31.03.2013		Year Ended 31.03.2012	
A.	**Cash flow from operating activities**				
	Net profit before tax		**40,247.28**		52,945.34
	Adjustments for:				
	Depreciation and amortisation expense	2,253.99		1,730.10	
	Profit on sale of investments (net)	(4,697.86)		(26,891.35)	
	(Profit)/Loss on disposal/write off of fixed assets (net)	(460.63)		43.88	
	Reversal of write down in value of current investments (net)	(35.44)		(12.64)	
	Loss on sale/redemption/reduction in shares in subsidiary companies (net)	-		3,882.35	
	Provision for doubtful debts/advances and bad debts written off (net)	159.54		37.68	
	Dividend income	(8,300.29)		(5,025.16)	
	Finance costs	4,283.74		3,044.23	
	Exchange rate fluctuations - loss	3,409.57		2,051.56	
	Interest income	(4,193.16)	(7,580.54)	(1,957.24)	(23,096.59)
	Operating profit before working capital changes		**32,666.74**		29,848.75
	Adjustments for:				
	Trade and other receivables	(5,604.43)		(514.86)	
	Trade payables and provisions	5,687.36	82.93	10,993.97	10,479.11
	Cash generated from operations		**32,749.67**		40,327.86
	Net Income Tax refund/(paid)		600.34		(5,783.17)
	Net cash from operating activities		**33,350.01**		34,544.69
B.	**Cash flow from investing activities**				
	Capital expenditure on fixed assets including capital advances		(4,191.46)		(3,900.65)
	Proceeds from sale of fixed assets		1,415.36		38.12
	Proceeds on sale/redemption/reduction in shares in subsidiary companies (net of expenses)		-		50,684.07
	Purchase of investments in subsidiaries		(1,425.00)		(17,046.62)
	Proceeds from partial sale of stake in associates (net of expenses) (Refer Note 38)		-		25,193.63
	Purchase of investments - others		(379,601.02)		(315,128.47)
	Proceeds from sale of investments - others		340,555.62		293,069.92
	Bank balances not considered as Cash and cash equivalents				
	- Placed		(3,886.66)		(5,508.52)
	- Matured		3,341.79		10,142.25
	Interest income		2,870.01		2,114.98
	Loans given to subsidiary companies		(24,807.81)		(31,550.25)
	Loans repaid by subsidiary companies		3,104.78		11,571.05
	Dividend income		8,300.29		5,062.12
	Cash flow (used in)/from investing activities		**(54,324.10)**		24,741.63
	Tax Paid		(1,151.07)		(3,522.59)
	Net cash flow (used in)/from investing activities		**(55,475.17)**		21,219.04
C.	**Cash flow from financing activities**				
	Repayment of Zero Coupon Convertible Bonds including premium on redemption and withholding tax thereon		-		(71,662.68)
	Proceeds from External Commercial Borrowings		-		51,178.88
	Dividend paid during the year including dividend tax		(4,277.26)		(4,277.09)
	Finance costs		(3,100.35)		(3,638.02)
	Net cash used in financing activities		**(7,377.61)**		(28,398.91)
	Net (decrease)/increase in cash and cash equivalents		**(29,502.77)**		27,364.82
	Cash and cash equivalents (opening balance)		34,163.62		6,798.80
	Cash and cash equivalents (closing balance)		4,660.85		34,163.62

CASH FLOW STATEMENT

for the year ended 31st March, 2013 (Contd.)

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current and deposit accounts, with original maturities not exceeding three months. Reconciliation of bank balances with cash and cash equivalents is as follows:

(₹ lacs)

	Current Year	Previous Year
Cash and Cash equivalents	4,660.85	34,163.62
Unrealised loss/(gain) on foreign currency cash and cash equivalents	(0.47)	2,336.25
Cash and cash equivalents (Refer Note 18)	4,660.38	36,499.87

2. Fixed deposits with banks with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement".

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 30th May, 2013

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 30th May, 2013 (29th November, 2013 as to effect the amendments arising from the matters referred to in paragraph 15 under Other Matter of our Audit Report)

For and on behalf of the Board

Jignesh Shah
Chairman & Managing Director

P. R. Barpande
Director

Naishadh Desai
Sr. Vice President (Legal)
& Company Secretary

Devendra Agrawal
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2013

NOTES

forming part of the financial statements for the Year ended 31st March, 2013

1. GENERAL INFORMATION

The Financial Technologies group is among the global leaders in offering technology IP (Intellectual Property) and domain expertise to create and trade on next-generation financial markets, that are transparent, efficient and liquid, across all asset classes including equities, commodities, currencies and bonds among others. The group is pioneer in end to end Straight Through Processing (STP) solution that support high density transactions. It has developed proprietary technology platform benchmarked against global standard which give it a decisive edge in driving mass disruptive innovation at the speed and cost of execution unmatched in the financial market industry.

The Financial Technologies group operates one of the world's largest network of 9 exchanges connecting fast-growing economies of Africa, Middle East, India and South East Asia. The group also has five ecosystem ventures to address upstream and downstream opportunities around exchanges, including clearing, depository, information vending, and payment gateway among others.

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

B. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialise.

C. Fixed assets (tangible assets)

Fixed assets are stated at cost of acquisition or construction and carried at cost less accumulated depreciation and impairment loss, if any.

D. Intangible assets

Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortisation and impairment loss, if any.

E. Operating leases

Assets taken/given on lease under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments/income under operating leases are recognised as expenses/income on a straight line basis over the lease term in accordance with the respective lease agreements.

F. Depreciation and amortisation

Depreciation and amortisation is provided for on straight line basis at the rates prescribed in Schedule XIV to the Companies Act, 1956 except for following assets which are depreciated over the useful lives stated as follows:

ASSETS	ESTIMATED USEFUL LIFE
Leasehold improvements to premises	Period of lease
Premium on leasehold land	Period of lease
Patent and Trademarks	8 years
Technical know-how and computer software	6 years

G. Investments

Current investments are carried at the lower of cost and fair value. Long-term investments are stated at cost less provision for diminution. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. The difference between carrying amount of the investment determined on average cost basis and sale proceeds, net of expenses, is recognised as profit or loss on sale of investments.

H. Revenue recognition

Revenue is recognised when no significant uncertainty as to determination and realisation exists. Income from software products (IPR based licenses) and income from software services (project based contracts) for the use of software applications is recognised on delivery/granting of right to use.

Revenue from fixed price service contracts is recognised based on milestones/acts performed as specified in the contracts or on a straight line basis over the contract period where performance of several acts is required over that period.

In the case of time and material contracts, revenue is recognised on the basis of hours completed and material used.

Revenue from annual maintenance contracts, lease of licenses, IT infrastructure sharing income and Shared Business Support Services is recognised proportionately over the period in which the services are rendered/licenses are leased.

NOTES

forming part of the financial statements for the Year ended 31st March, 2013

Revenue from sale of traded goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company.

Sales are stated net of returns, VAT and service tax wherever applicable.

Dividend income is recognised when the Company's right to receive dividend is established. Interest income is recognised on time proportion basis. Insurance claim is recognised when such claim is admitted by the Insurance Company.

I. Foreign currency transactions and translation

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Monetary items denominated in foreign currency are restated using the exchange rate prevailing at the balance sheet date. Exchange differences relating to long term monetary items are dealt with in the following manner:

(i) Exchange differences arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.

(ii) In other cases, such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the statement of profit and loss over the balance life of the long-term monetary item.

All other exchange differences are dealt with in the statement of profit and loss.

Non-monetary items denominated in foreign currency are carried at historical cost.

Foreign branches:

The translation of the financial statements of foreign branches (non integral) is accounted for as under:

(a) All revenues and expenses are translated at average rate.

(b) All monetary and non-monetary assets and liabilities are translated at the rate prevailing on the balance sheet date.

(c) Resulting exchange difference is accumulated in Foreign Currency Translation Reserve Account until the disposal of the net investment in the said non integral foreign operation.

J. Derivative instruments

The Company uses derivative financial instruments such as forward foreign exchange contracts entered into for hedging the risks of foreign currency exposure (in respect of highly probable forecasted transactions/firm commitments) and interest rate swaps to hedge its risks associated with fluctuations in interest rate. As per principles of prudence as enunciated in Accounting Standard 1 (AS-1), "Disclosure of Accounting Policies", losses, if any, on Mark to Market basis, are recognised in the statement of Profit and Loss and gains are not recognised on prudent basis.

K. Employee Benefits

(a) Post employment benefits and other long term benefits

Payments to defined contribution retirement schemes and other similar funds are expensed as incurred.

For defined benefit schemes and other long term benefit plans viz. gratuity and compensated absences expected to occur after twelve months, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the balance sheet date. Actuarial gains and losses are recognised in full in the statement of profit and loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of the available refunds and reduction in contributions to the scheme.

(b) Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and performance incentives.

L. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Premium relating to redemption of zero coupon convertible bonds is debited to Securities Premium Account as permitted under section 78 of the Companies Act, 1956. Ancillary borrowing costs are amortised over the period of loan. All other borrowing costs are charged to revenue.

M. Income taxes

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income-Tax Act, 1961. The Company recognises deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the

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statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the entity will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that entity will pay normal income tax during the specified period.

N. Stock based compensation

The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e. difference between the market price of the Company's shares on the date of grant of options and the exercise price to be paid by the option holders. The compensation cost, if any, is amortised uniformly over the vesting period of the options.

O. Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of the carrying amount that would have been determined had no impairment loss been recognised and recoverable amount.

P. Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but disclosed by way of notes to the accounts. Contingent assets are neither recognised nor disclosed in the financial statements.

	As at 31.03.2013		As at 31.03.2012	
3. SHARE CAPITAL	**Number of shares**	**₹ lacs**	**Number of shares**	**₹ lacs**
Authorised:				
Equity shares of ₹ 2/- each	150,000,000	3,000.00	150,000,000	3,000.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2/- each	46,078,537	921.57	46,078,537	921.57
TOTAL	**46,078,537**	**921.57**	46,078,537	921.57

a. During the period of five years immediately preceding the reporting date, the Company has issued:

(i) 194,900 (Previous Year 321,030) Equity shares of ₹ 2/- each fully paid-up to the employees under employee stock option ('ESOP') schemes.

(ii) 1,662,811 (Previous Year 1,662,811) Equity shares of ₹ 2/- each fully paid-up against Global Depositary Receipts ('GDR') issued by the Company.

b. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion of equity shares held.

c. Details of equity shares held by each shareholder holding more than 5% equity shares in the Company:

	As at 31.03.2013		As at 31.03.2012	
EQUITY SHARES	**Number of Equity Shares held**	**% Holding**	**Number of Equity Shares held**	**% Holding**
La-fin Financial Services Private Limited	12,329,968	26.76	12,329,968	26.76
Jignesh P. Shah	8,329,585	18.08	8,329,585	18.08
Ravi K. Sheth	2,489,762	5.40	2,489,762	5.40
Blackstone GPV Capital Partners Mauritius VI FII Ltd.	3,235,703	7.02	-	-
Elliot & Page Limited*	-	-	2,619,632	5.69
Reliance Capital Trustee Company Limited*	2,268,275	4.92	2,643,339	5.74

*Includes shares held under different sub-accounts/schemes.

d. For particulars of options on unissued capital under employee stock option schemes, Refer Note 43.

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(₹ lacs)

4.	RESERVES AND SURPLUS	As at 31.03.2013	As at 31.03.2012
	Capital reserve		
	Balance as per last Balance Sheet	147.59	147.59
	Securities premium account		
	Balance as per last Balance Sheet	41,746.61	45,824.64
	Less: Premium on redemption of Zero Coupon Convertible Bonds (ZCCB)	-	(4,078.03)
	[net of tax of ₹ Nil (Previous Year ₹ 1,959.03 lacs)]	**41,746.61**	41,746.61
	General reserve		
	Balance as per last Balance Sheet	23,160.15	17,900.15
	Add: Transferred from Statement of Profit and Loss	3,253.00	5,260.00
		26,413.15	23,160.15
	Foreign currency translation reserve		
	Balance as per last Balance Sheet	(6.28)	(2.38)
	(Less)/Add: Effect of foreign exchange rate variation during the year	7.32	(3.90)
		1.04	(6.28)
	Foreign currency monetary item translation difference account (FCMITDA)		
	Balance as per last Balance Sheet	(4,224.67)	-
	Add: Effect of foreign exchange rate variation during the year	(3,556.08)	(9,863.35)
	Less: Amortisation during year	1,977.02	5,638.68
		(5,803.73)	(4,224.67)
	Surplus in Statement of Profit and Loss		
	Balance as per last Balance Sheet	179,513.50	141,254.86
	Profit for the year	32,288.06	47,802.93
	Less: Appropriations		
	Interim Dividends [₹ 6/- per share (Previous Year ₹ 6/- per share)]	2,764.71	2,764.71
	Final Dividend (Proposed) [₹ 2/- per share (Previous Year ₹ 2/- per share)]	921.57	921.57
	Tax on Dividend	605.13	598.01
	Transfer to General Reserve	3,253.00	5,260.00
	Total Appropriations	**7,544.41**	9,544.29
	Net surplus in Statement of Profit and Loss	**204,257.15**	179,513.50
	TOTAL	**266,761.81**	240,336.90

5.	LONG-TERM BORROWINGS		
	Unsecured term loans from banks		
	External commercial borrowings in foreign currency	59,828.23	56,272.15
	TOTAL	**59,828.23**	56,272.15
	During the previous year, the Company had availed three foreign currency term loans viz. external commercial borrowings aggregating USD 110 million. Loans of USD 35 million and USD 50 million are repayable in three annual installments (first two installments of 33.33% each and last installment of 33.34%) starting from April 2015 and June 2015 respectively. These loans carry interest at the rate of applicable quarterly LIBOR plus margin of 3.5% p.a. Balance loan of USD 25 million availed, is repayable in nine semi-annual installments (first eight installments of 11% each and last installment of 12%) starting from December 2014. This loan carries interest at the rate of applicable quarterly LIBOR plus margin of 5% p.a.		

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forming part of the financial statements for the Year ended 31st March, 2013

(₹ lacs)

6. DEFERRED TAX LIABILITIES (NET)		As at 31.03.2013	As at 31.03.2012
a **Deferred tax liability**			
Depreciation		2,331.21	1,486.79
Unamortised ancillary borrowing costs		464.11	576.71
		2,795.32	2,063.50
b **Deferred tax asset**			
Provision for trade receivables, advances etc.		155.80	118.29
Provision for compensated absences and gratuity		256.64	296.77
Tax effect on withholding Tax on ZCCB Premium adjusted against securities premium account to be claimed in tax		-	275.11
		412.44	690.17
Net deferred tax liability	**TOTAL**	**2,382.88**	1,373.33
7. OTHER LONG-TERM LIABILITIES			
Income received in advance/unearned revenue		247.54	15.15
Other advances		29.18	-
	TOTAL	**276.72**	15.15
8. LONG-TERM PROVISIONS			
Provision for employee benefits			
Compensated absences		553.64	506.18
Other provisions			
Provision for estimated loss on interest rate swap contracts		1,599.86	950.99
	TOTAL	**2,153.50**	1,457.17
9. TRADE PAYABLES			
Other than acceptances			
Dues to micro and small enterprises (Refer Note 31)		13.47	3.53
Others		2,021.16	1,309.26
	TOTAL	**2,034.63**	1,312.79
10. OTHER CURRENT LIABILITIES			
Interest accrued but not due on borrowings		318.91	271.41
Income received in advance/unearned revenue		7,768.98	3,820.33
Unclaimed dividend*		78.09	71.06
Other payables			
Statutory remittances		579.02	230.79
Payables on purchase of fixed assets		94.07	433.52
Payable to employees and other contractual obligations		2,181.52	1,587.28
Security deposits		606.73	606.73
Advances from customers		11,736.80	11,172.71
Other advances		7.11	25.27
	TOTAL	**23,371.23**	18,219.10
*No amount due and outstanding to be credited to Investor Education and Protection Fund			
11. SHORT-TERM PROVISIONS			
Provision for employee benefits			
Compensated absences		16.28	218.31
Gratuity (Refer Note 44)		321.29	226.40
		337.57	444.71
Other provisions			
For taxation (net of advance tax there against)		3.29	26.57
Proposed dividend (including tax)		1,078.19	1,071.07
		1,081.48	1,097.64
	TOTAL	**1,419.05**	1,542.35

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forming part of the financial statements for the Year ended 31st March, 2013

12. Fixed assets

(₹ lacs)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.2012	Additions during the year	Effect of Foreign currency differences *[Refer Note 2(I)(i)*	Deletion/ Adjustments	Cost as at 31.03.2013	Upto 31.03.2012	For the Year	Deletions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
A) Tangible assets											
Freehold Land	4,666.60	-	-	-	4,666.60	-	-	-	-	4,666.60	4,666.60
	(4,666.60)	(-)	(-)	(-)	(4,666.60)	(-)	(-)	(-)	(-)	(4,666.60)	(4,666.60)
Leasehold Land	816.98	-	-	816.98	-	44.75	5.71	50.46	-	-	772.23
	(686.75)	(-)	(130.23)	(-)	(816.98)	(36.54)	(8.21)	(-)	(44.75)	(772.23)	(650.21)
Buildings#	29,120.83	-	-	-	29,120.83	611.35	474.67	-	1,086.02	28,034.81	28,509.48
	(25,046.98)	(1,403.82)	(2,670.03)	(-)	(29,120.83)	(176.16)	(435.19)	(-)	(611.35)	(28,509.48)	(24,870.82)
Improvement to Leasehold Premises	431.36	15.26	-	337.63	108.99	255.20	133.71	337.63	51.28	57.71	176.16
	(431.36)	(-)	(-)	(-)	(431.36)	(125.92)	(129.28)	(-)	(255.20)	(176.16)	(305.44)
Office Equipment	4,630.29	790.44	-	134.45	5,286.28	239.56	233.71	19.56	453.71	4,832.57	4,390.73
	(2,511.48)	(2,236.71)	(-)	(117.90)	(4,630.29)	(114.39)*	(184.21)	(59.04)	(239.56)	(4,390.73)	(2,397.09)
Computer Hardware	2,031.71	2,807.94	-	123.41	4,716.24	1,089.77	445.12	89.91	1,444.98	3,271.26	941.94
	(1,937.31)	(147.75)	(-)	(53.35)	(2,031.71)	(839.94)	(294.43)	(44.60)	(1,089.77)	(941.94)	(1,097.37)
Furniture and Fixtures	4,811.00	55.48	-	25.48	4,841.00	321.06	306.62	4.70	622.98	4,218.02	4,489.94
	(3,482.89)	(1,426.10)	(-)	(97.99)	(4,811.00)	(158.51)*	(259.97)	(97.42)	(321.06)	(4,489.94)	(3,324.38)
Vehicles	453.17	236.53	-	31.80	657.90	96.67	48.05	13.17	131.55	526.35	356.50
	(296.20)	(177.95)	(-)	(20.98)	(453.17)	(65.58)	(38.24)	(7.15)	(96.67)	(356.50)	(230.62)
TOTAL	46,961.94	3,905.65	-	1,469.75	**49,397.84**	2,658.36	1,647.59	515.43	**3,790.52**	**45,607.32**	**44,303.58**
Previous Year	(39,059.57)	(5,392.33)	(2,800.26)	(290.22)	**(46,961.94)**	(1,517.04)	(1,349.53)	(208.21)	**(2,658.36)**	**(44,303.58)**	**(37,542.53)**
B) Intangible assets (other than internally generated)											
Trade Mark	6.95	0.24	-	-	7.19	4.39	0.60	-	4.99	2.20	2.56
	(5.95)	(1.00)	(-)	(-)	(6.95)	(3.83)	(0.56)	(-)	(4.39)	(2.56)	(2.12)
Technical Know-how	6.33	-	-	-	6.33	6.33	-	-	6.33	-	-
	(6.33)	(-)	(-)	(-)	(6.33)	(6.33)	(-)	(-)	(6.33)	(-)	(-)
Computer Software	3,677.53	29.95	-	0.77	3,706.71	1,010.37	605.80	0.37	1,615.80	2,090.91	2,667.16
	(1,772.80)	(1,904.73)	(-)	(-)	(3,677.53)	(630.36)	(380.01)	(-)	(1,010.37)	(2,667.16)	(1,142.44)
TOTAL	3,690.81	30.19	-	0.77	**3,720.23**	1,021.09	606.40	0.37	**1,627.12**	**2,093.11**	**2,669.72**
Previous Year	(1,785.08)	(1,905.73)	-	-	**(3,690.81)**	(640.52)	(380.57)	-	**(1,021.09)**	**(2,669.72)**	**(1,144.56)**
TOTAL										**47,700.43**	**46,973.30**

*Includes provision for impairment of fixed assets ₹104.61 lacs (Office Equipment ₹33.06 lacs and Furniture and Fixtures ₹71.55 lacs), adjusted against loss on disposal / wrtite off of fixed assets (net) during the previous year.(Refer Note 27)
#Buildings include ₹843.18 lacs (Previous Year ₹843.18 lacs) on long term lease of 95 years.
Previous year figures are given in brackets.

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(₹ lacs)

13. NON - CURRENT INVESTMENTS	As at 31.03.2013	As at 31.03.2012
Long Term Investments (fully paid up, valued at cost unless stated otherwise)		
A. Trade investments (Unquoted):		
(a) In equity shares of subsidiary companies:		
1. 6,040,000 (Previous Year 6,040,000) Equity shares of ₹ 10/- each in IBS Forex Limited [at cost less provision for other than temporary diminution in value ₹ 136.26 lacs (Previous Year ₹ 136.26 lacs)]	467.74	467.74
2. 4,042,500 (Previous Year 4,042,500) Equity shares of ₹ 10/- each in TickerPlant Limited (Refer Note 39)	404.25	404.25
3. 44,999,900 (Previous Year 44,999,900) Equity shares of ₹ 10/- each in National Spot Exchange Limited	4,499.99	4,499.99
4. 170,637,063 (Previous Year 28,137,063) Equity shares of ₹ 1/- each in atom Technologies Limited (Refer Note 39)	1,706.37	281.37
5. 76,000,000 (Previous Year 76,000,000) Equity shares of ₹ 10/- each in National Bulk Handling Corporation Limited	8,221.15	8,221.15
6. 1,000,000 (Previous Year 1,000,000) Equity shares of ₹ 10/- each in Global Payment Networks Limited	100.00	100.00
7. 50,000 (Previous Year 50,000) Equity shares of ₹ 10/- each in Financial Technologies Communications Limited	5.00	5.00
8. 60,002 (Previous Year 60,002) Ordinary shares of USD 1/- each in FT Group Investments Pvt Limited	24.87	24.87
9. 10,002 (Previous Year 10,002) Ordinary shares of USD 1/- each in Knowledge Assets Private Limited	3.98	3.98
10. 3,750,000 (Previous Year 3,750,000) Equity shares of ₹ 10/- each in FT Knowledge Management Limited [at cost less provision for other than temporary diminution in value ₹ Nil lacs (Previous Year ₹ 181.00 lacs)]	375.00	194.00
11. 50,000 (Previous Year 50,000) Equity shares of ₹ 10/- each in Takshashila Academia of Economic Research Limited	5.00	5.00
12. 50,000 (Previous Year 50,000) Equity shares of ₹ 10/- each in Boursa India Limited	5.00	5.00
13. 111,600,001 (Previous Year 111,600,001) Ordinary shares of SGD 1/- each in Financial Technologies Singapore PTE Limited.	36,874.36	36,874.36
14. 5,000 (Previous Year 5,000) Ordinary shares of MUR 1/- each in Financial Technologies Projects Pvt. Limited	0.08	0.08
	52,692.79	51,086.79
(b) In equity shares of a joint venture company:		
1,900 (Previous Year 1,900) Class B shares of USD 1,000/- each in Dubai Gold and Commodities Exchange DMCC	828.78	828.78
(c) In equity shares of associate companies:		
1. 68,23,941 (Previous Year 9,140,302) Equity shares of ₹ 10/- each in Indian Energy Exchange Limited (Refer Note 47)	682.39	914.03
2. 5,750,000 (Previous Year 5,750,000) Equity shares of ₹ 10/- each in MCX-SX Clearing Corporation Limited	575.00	575.00
3. 49,000 (Previous Year 49,000) Equity shares of ₹ 10/- each in SME Exchange of India Ltd.	4.90	4.90
	1,262.29	1,493.93
(d) In equity shares of other companies:		
1. 1,496,500 (Previous Year 1,496,500) Equity shares of ₹ 1/- each in Delhi Stock Exchange Limited	1,047.55	1,047.55
2. 10,000 (Previous Year 10,000) Equity shares of ₹ 10/- each in National Stock Exchange of India Limited	278.47	278.47
3. 27,165,000 (Previous Year 27,165,000) Equity shares of ₹ 1/- each in MCX Stock Exchange Limited (Refer Note 40)	-	271.65
4. 290,000 (Previous Year 290,000) Equity shares of ₹ 10/- each in Vadodara Stock Exchange Limited	134.85	134.85
	1,460.87	1,732.52

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(₹ lacs)

	As at **31.03.2013**	As at **31.03.2012**
(e) In Optionally Convertible Preference shares of Subsidiary Companies 15,000,000 (Previous Year 15,000,000) 5% Optionally Convertible Preference shares of USD 1/- each in FT Group Investments Pvt. Limited.	6,904.50	6,904.50
(f) In warrants of other company 562,460,000 (Previous Year 562,460,000) Warrants of ₹ 1/- each of MCX Stock Exchange Limited. Each warrant in MCX-SX entitles the holder to subscribe to one equity share of 1 each of MCX-SX at any time after six months from the date of issue of warrants. The warrants are also freely transferable by endorsement and delivery. The warrants do not carry voting or dividend rights	5,624.60	5,624.60
Total trade investments - Unquoted (A)	**68,773.83**	67,671.12
B. Trade Investments (Quoted):		
In equity shares of an associate company: 13,259,575 (Previous Year 13,259,575) Equity shares of ₹ 10/- each in Multi Commodity Exchange of India Limited (Refer Note 38)(Out of which 10,199,674 shares are locked in for the period of three years till 7th March 2015)	1,060.77	1,060.77
Total trade investments - Quoted (B)	**1,060.77**	1,060.77
C. Other than Trade (Unquoted):		
(a) In equity shares of subsidiary companies:		
1. 7,000,000 (Previous Year 7,000,000) Equity shares of ₹ 10/- each in Riskraft Consulting Limited [at cost less provision for other than temporary diminution in value ₹ 634.00 lacs (Previous Year ₹ 634.00 lacs)]	66.00	66.00
2. 50,000 (Previous Year 50,000) Equity shares of ₹ 10/- each in Trans-Global Credit and Finance Limited	5.00	5.00
3. 100 (Previous Year 90) Equity Shares of Rand 1/- each in ICX Platform (Pty) Limited [at cost less provision for other than temporary diminution in value ₹ 454.00 lacs (Previous Year ₹ 273.00 lacs)]	45.13	226.13
4. 5,249,900 (Previous Year 5,249,900) Equity shares of ₹ 10/- each in Credit Market Services Pvt. Limited [at cost less provision for other than temporary diminution in value ₹ 513.00 lacs (Previous Year ₹ 513.00 lacs)]	11.99	11.99
5. 4,313,845 (Previous Year 4,313,845) Equity shares of ₹ 10/- each in Apian Finance & Investment Limited	549.74	549.74
6. 50,000 (Previous Year 50,000) Ordinary shares of ₹ 10/- each in FT Projects Limited	5.00	5.00
	682.86	863.86
(b) In debentures of subsidiary company: 25 (Previous Year Nil) Unsecured, optionally fully convertible debentures of ₹ 1,00,00,000/- each in FT Projects Limited	2,500.00	-
(c) In bonds: 150 (Previous Year 150) Units of ₹ 1,000,000/- each of 9.5% IndusInd Bank Limited- Tier II Bonds Issue (Series XIV)	1,500.00	1,500.00
(d) In trust securities: 97 (Previous Year 97) Class A units of ₹ 100,000/- each towards capital contribution of India Venture Trust- Fund I	97.00	97.00
(e) In Government Securities: National Savings Certificate- VIII Issue (deposited with sales tax authorities)	0.20	0.20
(f) In units of mutual funds:		
1. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Axis Fixed Term Plan - Series 34 (392 days) Direct Growth	500.00	-
2. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series EV Growth (391 Days)	-	500.00
3. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Birla Sunlife Fixed Term Series ES - Growth 393 days	-	500.00
4. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 38 - 12.5M - Growth	-	500.00

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(₹ lacs)

	As at 31.03.2013	As at 31.03.2012
5. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 88 - 12.5M - Direct - Growth	500.00	-
6. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 89 - 12M - Direct - Growth	500.00	-
7. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 91 - 12M - Direct - Growth	500.00	-
8. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DWS Fixed Maturity Plan - Series 6 (394 days) Growth Plan	-	500.00
9. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of HDFC FMP 400D February 2012(1) Growth - Series XXI	-	500.00
10. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of ICICI Prudential FMP Series 63-376 days Plan J Cumulative	-	500.00
11. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 67-371 Days Plan C Direct Plan Cummulative	500.00	-
12. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 67-371 Days Plan E Direct Plan Cummulative	500.00	-
13. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential Interval Fund - Series VI Annual Interval Plan C Direct Plan	500.00	-
14. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of IDBI FMP - 385 Days Series III (March 2013) - B - Growth - Direct	500.00	-
15. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of JP Morgan India Fixed Maturity Plan Series 302 Growth	500.00	-
16. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of L&T FMP - VII (March 13M A) - Direct Plan Growth	500.00	-
17. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of L&T FMP - VII (March 381 D A) Direct Plan Growth	500.00	-
18. Nil (Previous Year 10,000,000.00) units of ₹ 10/- each of L&T FMP - V (March 395DA) - Growth	-	1,000.00
19. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of L&T FMP - VI (March 371 DA)Growth	-	500.00
20. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of LIC Nomura Fixed Maturity plan Series 58 - 392 Days - Direct Growth Plan	500.00	-
21. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of LIC Nomura Fixed Maturity Plan Series 59-392 Days - Direct Growth Plan	500.00	-
22. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXI series 11 - Growth Plan	-	500.00
23. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXI-Series 18 - Growth Plan	-	500.00
24. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XIV Plan A (373 days) Growth Plan	-	500.00
25. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVII Plan D (399 days) Direct	500.00	-
26. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVIII-Plan B (386 days) Direct	500.00	-
27. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Religare Fixed Maturity Plan - series XIII Plan D (386 Days) Growth Plan	-	500.00
28. Nil (Previous Year 10,000,000.00) units of ₹ 10/- each of Religare FMP - Series XIII Plan C-13 months - Growth Plan	-	1,000.00
29. Nil (Previous Year 10,000,000.00) units of ₹ 10/- each of Religare FMP Series XIII Plan F - Growth Plan	-	1,000.00
30. 3,500,000.00 (Previous Year Nil) units of ₹ 10/- each of Sundaram Fixed Term Plan DH 378 Days Direct Growth	350.00	-
31. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Tata Fixed Maturity Plan Series 42 Scheme C Direct Plan - Growth	500.00	-
32. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Taurus Fixed Maturity Plan 377 Days Series Z - Direct Plan	500.00	-

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(₹ lacs)

	As at **31.03.2013**	As at **31.03.2012**
33. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Taurus Fixed Maturity Plan 397 days Series O Growth payout	-	500.00
	8,850.00	9,000.00
Total of other than trade - Unquoted (C)	**13,630.06**	11,461.06
D. Other than Trade (Quoted):		
In bonds:		
2,000 (Previous year 2,000) Non Convertible 6.85% IIFCL 2014 Tax Free Series II Bonds of ₹ 100,000/- each	-	2,005.20
200,000 (Previous Year Nil) Non Convertible 7.38% REC 2027 Tax Free Series II Bonds of ₹ 1,000/- each	2,000.00	-
200,000 (Previous Year Nil) Non Convertible 7.36% PFC 2028 Tax Free Series II Bonds of ₹ 1,000/- each	2,000.00	-
200,000 (Previous Year Nil) Non Convertible 7.36% IIFCL 2028 Tax Free Series II Bonds of ₹ 1,000/- each	2,000.00	-
Total of other than trade - Quoted (D)	**6,000.00**	2,005.20
Total Non - current investments (A+B+C+D)	**89,464.66**	82,198.15
Aggregate amount of Quoted investments	7,060.76	3,065.97
Aggregate market value of listed and Quoted investments	116,531.82	170,369.45
Aggregate amount of Unquoted investments (net of provision for other than temporary diminution)	82,403.90	79,132.18
Aggregate provision for other than temporary diminution in the value of long - term investments	1,737.26	1,737.26
14. LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital advances	37.91	42.62
Security deposits	172.43	257.23
Loans and advances to related parties (Refer Note 41)	45,063.63	24,376.07
Loans and advances to employees	305.26	643.08
Prepaid Expenses	391.33	24.43
Balances with government authorities	49.37	31.05
Advance Income Tax less provision there against including fringe benefit tax (other than deferred tax)	6,448.39	12,387.56
MAT credit entitlement	8,228.31	8,747.20
TOTAL	**60,696.63**	46,509.24
15. OTHER NON-CURRENT ASSETS		
Unamortised ancillary borrowing costs	895.88	1,347.86
Deposits with banks (under lien with banks against bank guarantees)	0.98	0.98
TOTAL	**896.86**	1,348.84
16. CURRENT INVESTMENTS		
A. Current portion of long-term investments (at cost):		
(a) In bonds (Quoted):		
2,000 (Previous Year 2,000) Non Convertible 6.85% IIFCL 2014 Tax Free Series II Bonds of ₹ 100,000/- each	2,005.20	-
(b) In units of mutual funds (Unquoted):		
1. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of HSBC Fixed Term Series 82 (370 days FMP) - Growth	-	500.00
2. 10,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Baroda Pioneer 367 Day FMP - Seies 4 Growth Plan	1,000.00	-
3. 5,004,442.00 (Previous Year Nil) units of ₹ 10/- each of Baroda Pioneer Fixed Maturity Plan - Series A Plan B - Growth	500.44	-
4. 7,317,913.00 (Previous Year Nil) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan - Series GJ Growth - Direct (367 Days)	731.79	-

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(₹ lacs)

	As at 31.03.2013	As at 31.03.2012
5. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan - Series GM (367 Days) - Growth - Direct	500.00	-
6. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series EF - Growth (370 days)	-	500.00
7. Nil (Previous Year 2,500,000.00) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series EK Growth (370 Days)	-	250.00
8. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series EQ Growth (368 days)	-	500.00
9. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series EV Growth (391 Days)	500.00	-
10. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Birla Sunlife Fixed Term Series ES - Growth (393 days)	500.00	-
11. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Birla Sunlife Interval Income Fund - Annual Plan 3 - Growth - Direct	500.00	-
12. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Birla Sunlife Short Term Fixed Term Plan Series EI Growth (368 Days)	-	500.00
13. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of BNP Paribas Fixed Term Fund - Series 25 - Direct - Growth	500.00	-
14. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of BSL Fixed Term Plan - Series GO (369 Days) - Growth - Direct	500.00	-
15. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of BSL Fixed Term Plan - Series GQ (367 Days) - Growth - Direct	500.00	-
16. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 32 - 12M Growth	-	500.00
17. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 38 - 12.5M - Growth	500.00	-
18. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 43 - 12M Growth	500.00	-
19. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 59 - 12M - Growth	500.00	-
20. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 61 - 12M - Growth	500.00	-
21. 2,170,933.33 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 64 - 12M - Growth	217.09	-
22. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 66 - 12M - Growth	500.00	-
23. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 84- 12M - Direct - Growth	500.00	-
24. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 87- 12M - Direct - Growth	500.00	-
25. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 90 - 12M - Direct - Growth	500.00	-
26. 5,001,333.51 (Previous Year Nil) units of ₹ 10/- each of DWS Fixed Maturity Plan - Series 27-Direct Plan - Growth	500.13	-
27. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DWS Fixed Maturity Plan Series 6 (394 days) Growth	500.00	-
28. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DWS Fixed Maturity Plan Series 1 (370 days) Growth	-	500.00
29. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DWS Fixed Maturity Plan Series 3 (370 days) Growth	-	500.00
30. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DWS Fixed Maturity Plan Series 5 (370 days) Growth	-	500.00
31. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of HDFC Annual Interval Fund Series 1 - Plan B - Direct Growth	500.00	-
32. 3,908,207.00 (Previous Year Nil) units of ₹ 10/- each of HDFC FMP 371D August 2012(1) Growth Series 22	390.82	-

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	As at **31.03.2013**	As at **31.03.2012**
33. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of HDFC FMP 371D February 2013(1) - Direct - Growth	500.00	-
34. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of HDFC FMP 371D July 2012 (2) - Growth Series 22	500.00	-
35. 3,000,000.00 (Previous Year Nil) units of ₹ 10/- each of HDFC FMP 372D Jan 2013 (3) Series 23 - Direct - Growth	300.00	-
36. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of HDFC FMP 372D July 2012 (1) - Growth Series 22	500.00	-
37. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of HDFC FMP 400D February 2012(1) Growth	500.00	-
38. Nil (Previous Year 4,071,077.00) units of ₹ 10/- each of ICICI Prudential FMP Series 61 - 1 year Plan C cumulative	-	407.11
39. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of ICICI Prudential FMP Series 63 - 1 Year Plan B Cumulative	-	500.00
40. 5,027,676.00 (Previous Year 5,027,676.00) units of ₹ 10/- each of ICICI Prudential FMP Series 63 -370 days Plan D Growth	502.77	502.77
41. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 63 - Plan J Growth (376 days)	500.00	-
42. 4,509,669.53 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 66 - 366 Days Plan F Direct Plan Cummulative	450.97	-
43. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 66 - 366 Days Plan H Direct Plan Cummulative	500.00	-
44. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 66 - 368 Days Plan B Direct Cummulative	500.00	-
45. 5,021,974.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 67 - 366 Days Plan B Direct Plan Cummulative	502.20	-
46. 5,043,133.77 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential Regular Savings Fund - Regular Plan - Quarterly Dividend	516.74	-
47. 3,001,472.05 (Previous Year Nil) units of ₹ 10/- each of IDBI FMP - 367 Days Series III (February 2013) - A -Growth - Direct	300.15	-
48. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Indiabulls Fixed maturity Plan 370 Days - Series 1- Growth Plan	500.00	-
49. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of JM Fixed Maturity Plan Series XXIII - 369 Days Plan A (Direct) Growth	500.00	-
50. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of JP Morgan India Fixed Maturity Plan Series 17 - Direct - Growth	500.00	-
51. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of L&T FMP - V (February 368D A) Growth	-	500.00
52. 9,000,000.00 (Previous Year Nil) units of ₹ 10/- each of L&T FMP - VII (December 369 DA) - Growth	900.00	-
53. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of L&T FMP - VII (March 367 D A) Direct Plan Growth	500.00	-
54. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of L&T FMP Series 6 - Plan E - Growth	-	500.00
55. 10,000,000.00 (Previous Year Nil) units of ₹ 10/- each of L&T FMP - V (March 395DA) - Growth	1,000.00	-
56. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of L&T FMP - VI (March 371 DA) - Growth	500.00	-
57. 1,679,702.36 (Previous Year Nil) units of ₹ 10/- each of L&T Triple Ace Bond Fund - Growth	500.00	-
58. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Peerless Fixed Maturity Plan Series 1 Direct Plan Growth Option	500.00	-
59. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Reliance Fixed Horizon Fund - XXII - Series 35 - Growth Plan	500.00	-
60. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Fixed Horizon Fund XXI-Series 5 Growth Plan	-	500.00

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(₹ lacs)

	As at 31.03.2013	As at 31.03.2012
61. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Fixed Horizon Fund XXI - Series 8 Growth Plan	-	500.00
62. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Reliance Fixed Horizon Fund - XXI Series 11 - Growth Plan	500.00	-
63. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXII Series 15 Growth Plan	500.00	-
64. 10,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Reliance Fixed Horizon Fund - XXII - Series 6 - Growth Plan	1,000.00	-
65. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Reliance Fixed Horizon Fund - XXI - Series 18 - Growth Plan	500.00	-
66. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Reliance Yearly Interval Fund - Series 2 - Direct Plan Growth Plan	500.00	-
67. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Reliance Yearly Interval Fund - Series 3 - Direct Plan - Growth Plan	500.00	-
68. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Reliance Yearly Interval Fund - Series 4 - Direct Plan - Growth Plan	500.00	-
69. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XI Plan E (371 days) Growth Plan	-	500.00
70. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XIV Plan A (373 days) Growth Plan	500.00	-
71. 3,500,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVII - Plan B (369 days) Direct Plan	350.00	-
72. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVIII Plan D (368 days) Direct	500.00	-
73. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVIII - Plan A (369 days) Direct	500.00	-
74. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XII - Plan C (368 days) Growth Plan	-	500.00
75. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XIII Plan D (386 Days) Growth Plan	500.00	-
76. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Religare FMP - Series XII Plan A (370 days) Growth Plan	-	500.00
77. 10,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare FMP - Series XIII Plan C-13 months - Growth Plan	1,000.00	-
78. 10,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare FMP Series XIII Plan F - Growth Plan	1,000.00	-
79. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of SBI Debt Fund Series 366 days - 10 Growth	500.00	-
80. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of SBI Debt Fund Series 366 days - 12 Growth	500.00	-
81. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of SBI Debt Fund Series 366 days - 20 Growth	500.00	-
82. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of SBI Debt Fund Series -366 Days 22 Direct Plan - Growth	500.00	-
83. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of SBI Debt Fund Series 366 days - 8 Growth	500.00	-
84. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Sundaram Fixed Term Plan DE 367 Days Direct Growth	500.00	-
85. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Sundaram Fixed Term Plan DG 366 Days Direct Growth	500.00	-
86. Nil (Previous Year 4,998,500.00) units of ₹ 10/- each of Sundaram Interval Fund Quarterly Plan A Institutional Dividend	-	500.00
87. Nil (Previous Year 3,373,975.00) units of ₹ 10/- each of Tata Fixed Maturity Plan 39 Scheme A Growth	-	337.40
88. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Tata Fixed Maturity Plan Series 42 Scheme A Direct Plan - Growth	500.00	-

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(₹ lacs)

	As at **31.03.2013**	As at **31.03.2012**
89. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Taurus Fixed Maturity Plan - 369 Days Series X - Growth Plan Direct	500.00	-
90. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Taurus Fixed Maturity Plan - 370 Days Series M - Growth Plan	-	500.00
91. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Taurus Fixed Maturity Plan 366 Days Series Y - Direct Plan	500.00	-
92. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Taurus Fixed Maturity Plan 369 Days Series U - Growth Plan	500.00	-
93. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Taurus Fixed Maturity Plan 397 days Series O - Growth payout	500.00	-
94. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Union KBC Fixed Maturity Plan Series 6 (366 days) - Growth- Direct Plan	500.00	-
95. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of UTI - Fixed Income Fund Series XIV - I (366 Days) - Direct Plan - Growth	500.00	-
96. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of UTI - Fixed Income Fund Series XIV - II (366 Days) - Direct Plan - Growth	500.00	-
97. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of UTI - Fixed Income Fund Series XIV - VI (366 Days) - Direct Plan - Growth	500.00	-
98. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of UTI - Fixed Income Fund Series XIV - VII (367 Days) - Direct Plan - Growth	500.00	-
	40,663.10	10,497.28
Total current portion of long - term investments (A)	**42,668.30**	10,497.28
B. Other current investments (fully paid up, valued at lower of cost and fair value)		
(Unquoted investments):		
(a) **In equity shares of associate companies:** 23,16,361 (Previous Year Nil) Equity shares of ₹ 10/- each in Indian Energy Exchange Limited (Refer Note 47)	231.64	-
(b) **In equity shares of other companies**		
1. 27,165,000 (Previous Year Nil) Equity shares of ₹ 1/- each in MCX Stock Exchange Limited (Refer Note 40)	271.65	-
2. 1,033,952 (Previous Year 1,033,952) Equity Shares of MUR 1/- each in Knowledge Economies Limited. (Under Liquidation) [at cost less provision for diminution (write down) in the value of investment of ₹ 80.85 lacs (Previous Year ₹ 80.85 lacs)]	59.59	121.63
	331.24	121.63
(c) **In units of mutual funds:**		
1. Nil (Previous Year 2,925,491.65) units of ₹ 10/- each of Reliance Medium Term Fund-Daily Dividend Plan	-	500.14
2. Nil (Previous Year 4,999.85) units of ₹ 1000/- each of PineBridge Liquid Fund-Super Institutional Daily Dividend	-	50.05
3. 47,057.28 (Previous Year Nil) units of ₹ 1000/- each of Axis Banking Debt Fund - Direct Plan - Growth	500.00	-
4. 3,493,266.73 (Previous Year Nil) units of ₹ 10/- each of Axis Dynamic Bond Fund - Growth Plan	400.00	-
5. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Axis Fixed Term Plan Series 20 (3 months) Dividend Payout	-	500.00
6. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Axis Fixed Term Plan Series 23 (3 months) Dividend Payout	-	500.00
7. Nil (Previous Year 37,776.79) units of ₹ 1000/- each of Axis Treasury Advantage Fund - Institutional DDR	-	377.81
8. Nil (Previous Year 650,176.28) units of ₹ 1000/- each of Baroda Pioneer Liquid Fund - Institutional Daily Dividend Plan	-	6,505.86
9. 8,504,630.77 (Previous Year Nil) units of ₹ 10/- each of Baroda Pioneer PSU Bond Fund Plan A - Growth Plan	1,000.00	-
10. 3,642,438.78 (Previous Year Nil) units of ₹ 10/- each of Birla Sun Life Short Term Fund - Growth	1,500.00	-

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(₹ lacs)

	As at 31.03.2013	As at 31.03.2012
11. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Birla Sunlife Short Term FMP series 30 Dividend Payout (90 days)	-	500.00
12. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Birla Sunlife Short Term FTP Series 29 Dividend (91 days)	-	500.00
13. 7,668,554.84 (Previous Year Nil) units of ₹ 10/- each of BNP Paribas Flexi Debt Fund - Direct Plan - Growth	1,499.79	-
14. 10,524,966.18 (Previous Year Nil) units of ₹ 10/- each of BNP Paribas Flexi Debt Fund - Growth	2,000.00	-
15. Nil (Previous Year 9,994,103.48) units of ₹ 10/- each of BNP Paribas Money Plus - Institutional Plan Daily Dividend	-	1,000.00
16. 6,478,974.00 (Previous Year Nil) units of ₹ 10/- each of BNP Paribas Short Term Fund Income Fund - Growth	848.09	-
17. Nil (Previous Year 5,203,950.18) units of ₹ 10/- each of BNP Paribas Short Term Income Fund Institutional DDR	-	521.52
18. 6,195.69 (Previous Year Nil) units of ₹ 1000/- each of BOI Axa Treasury Advantage Fund - Direct Plan - Growth	85.00	-
19. 43,509,082.72 (Previous Year Nil) units of ₹ 10/- each of BSL Dynamic Bond Fund - Retail - Growth	8,306.26	-
20. Nil (Previous Year 33,422,040.03) units of ₹ 10/- each of BSL Dynamic Bond Fund -Retail Plan Monthly Dividend	-	3,512.29
21. Nil (Previous Year 15,904,756.76) units of ₹ 10/- each of BSL Dynamic Bond Fund -Retail Plan Monthly Dividend - STPI	-	1,657.82
22. 1,119,748.03 (Previous Year Nil) units of ₹ 100/- each of BSL Floating Rate Fund - Long Term - Weekly Dividend - Direct Plan Reinvestment	1,120.98	-
23. Nil (Previous Year 11,671,258.25) units of ₹ 10/- each of Canara Robeco Short Term Institutional Monthly Dividend Fund	-	1,180.30
24. 15,740,085.68 (Previous Year Nil) units of ₹ 10/- each of Canara Robeco Short Term Fund - Regular Growth	2,052.94	-
25. Nil (Previous Year 54,438.30) units of ₹ 1000/- each of Canara Robeco Treasury advanatage Super INSTT Daily dividend Reinvest	-	675.42
26. 253,466.17 (Previous Year Nil) units of ₹ 1000/- each of Canara Robeco Treasury Advantage Fund - Direct Growth	4,500.00	-
27. Nil (Previous Year 354,320.11) units of ₹ 1000/- each of Daiwa Liquid Fund Institutional Plan DDR	-	3,545.04
28. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 30 - 3M Dividend Payout	-	500.00
29. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DWS Banking & PSU Debt Fund - Direct Plan - Growth	500.00	-
30. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DWS Fixed Maturity Plan Series - 24 - Direct Plan - Growth	500.00	-
31. 9,080,923.76 (Previous Year Nil) units of ₹ 10/- each of DWS Short Maturity Fund - Institutional - Growth	1,191.61	-
32. Nil (Previous Year 11,230,334.02) units of ₹ 10/- each of DWS Short Maturity Fund - Institutional Weekly Dividend Plan - Reinvest	-	1,172.34
33. Nil (Previous Year 3,852,030.45) units of ₹ 10/- each of DWS Ultrashort Term Fund Institutional DDR	-	385.89
34. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Edelweiss Fixed Maturity Plan - Series 5 (91 Days) Dividend Plan	-	500.00
35. 5,027,424.60 (Previous Year Nil) units of ₹ 10/- each of HDFC Floating Rate Income Fund -Short Term Plan - Direct Plan - Wholesale Option - Growth	999.50	-
36. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of HDFC FMP 92D February 2012(2) Dividend Series XIX Option: Payout	-	500.00
37. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of HDFC FMP 92D January 2012(1) Dividend Series XIX Option: Payout	-	500.00
38. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of HDFC FMP 92D March 2012(1) Dividend Payout	-	500.00

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(₹ lacs)

	As at **31.03.2013**	As at **31.03.2012**
39. Nil (Previous Year 1,928,384.83) units of ₹ 10/- each of HSBC Floating Rate - Long Term Plan - Institutional Option - Weekly Dividend	-	216.55
40. Nil (Previous Year 11,488,632.89) units of ₹ 10/- each of HSBC Income Fund - Short Term Institutional Plus - Weekly Dividend	-	1,155.22
41. Nil (Previous Year 94,576.06) units of ₹ 100/- each of ICICI Pru Flexible Income Plan Premium - DDR	-	100.00
42. Nil (Previous Year 10,594,205.62) units of ₹ 10/- each of ICICI Prudential - Blended Plan B - Institutional Daily Dividend option II	-	1,060.22
43. 8,431,020.08 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential Income Plan Regular Growth	3,007.48	-
44. Nil (Previous Year 5,013,706.00) units of ₹ 10/- each of ICICI Prudential Interval fund II Quarterly interval Plan D Institutional Div	-	501.54
45. Nil (Previous Year 4,348,771.00) units of ₹ 10/- each of ICICI Prudential Interval fund II Quarterly interval Plan F Institutional Cumulative	-	500.00
46. Nil (Previous Year 4,977,050.09) units of ₹ 10/- each of ICICI Prudential Regular Savings Fund Regular Growth	-	500.00
47. 11,013,601.38 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential Ultra Short Term Plan - Direct Plan - Growth	1,300.00	-
48. 40,120.31 (Previous Year Nil) units of ₹ 1,000/- each of IDBI Ultra Short Term Fund - Growth - Direct	500.00	-
49. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of IDFC Fixed Maturity Quarterly Series 71 Dividend	-	500.00
50. Nil (Previous Year 10,964,608.10) units of ₹ 10/- each of IDFC Money Manager Fund - Investment Plan -Institutional Plan B Daily Dividend	-	1,109.45
51. 6,161,163.72 (Previous Year Nil) units of ₹ 10/- each of IDFC Ultra Short Term Fund - Growth - (Direct Plan)	1,000.00	-
52. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of IDFC Yearly Series Interval Fund Direct Plan - Series III - Growth	500.00	-
53. 10,454,296.25 (Previous Year Nil) units of ₹ 10/- each of JM High Liquidity Fund - Bonus Option - Principal (Bonus) Units	1,024.91	-
54. Nil (Previous Year 44,021,888.72) units of ₹ 10/- each of JM Money Manager Fund Super Plus Plan - Daily Dividend (171)	-	4,404.52
55. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of JP Morgan Fixed Maturity Plan Series 7 Dividend Payout	-	500.00
56. 8,404,032.77 (Previous Year Nil) units of ₹ 10/- each of JP Morgan Short Term Income Fund - Regular Plan - Growth	1,000.00	-
57. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Kotak Credit Opportunity Fund Growth	-	500.00
58. Nil (Previous Year 2,069,050.81) units of ₹ 10/- each of L&T Ultra STF Institutional- Daily Dividend Reinvest	-	210.12
59. Nil (Previous Year 5,464,050.00) units of ₹ 10/- each of L&T FMP Series 6 - Plan C - Growth	-	546.41
60. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of L&T FMP-V (February 90DA) - Dividend Payout	-	500.00
61. Nil (Previous Year 198,480.87) units of ₹ 1000/- each of L&T Liquid Super Institutional DDR	-	2,007.90
62. Nil (Previous Year 18,652,182.30) units of ₹ 10/- each of L&T Select Income Fund - Flexi Debt Institutional - Dividend	-	1,922.51
63. 15,000,000.00 (Previous Year 15,000,000.00) units of ₹ 10/- each of L&T Short Term Opportunities Fund - Growth	1,500.00	1,500.00
64. 3,500,000.00 (Previous Year Nil) units of ₹ 10/- each of LIC Nomura Fixed Maturity Plan Series 61-365 Days - Direct Growth Plan	350.00	-
65. 97,062.74 (Previous Year Nil) units of ₹ 1000/- each of Mirae Asset Ultra Short Term Bond Fund - Direct Plan - Quarterly Dividend	1,000.00	-
66. 24,870,202.43 (Previous Year Nil) units of ₹ 10/- each of Morgan Stanley Active Bond Fund - Direct Growth Plan	3,000.00	-

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(₹ lacs)

	As at 31.03.2013	As at 31.03.2012
67. 7,892,236.54 (Previous Year Nil) units of ₹ 10/- each of Morgan Stanley Short Term Bond Fund - Institutional Plus Growth	1,000.00	-
68. 5,517,678.59 (Previous Year Nil) units of ₹ 10/- each of Peerless Flexible Income Fund Growth	552.45	-
69. 41,835,933.18 (Previous Year Nil) units of ₹ 10/- each of Peerless Ultra Short Term Fund - Direct Plan Daily Dividend - Reinvestment	4,211.41	-
70. Nil (Previous Year 7,009,068.02) units of ₹ 10/- each of Peerless Ultra Short Term Fund Super IP DDR	-	701.29
71. 39,420.12 (Previous Year Nil) units of ₹ 1,000/- each of PineBridge India Total Return Bond Fund Direct Growth	600.00	-
72. 35,615.18 (Previous Year Nil) units of ₹ 1,000/- each of PineBridge India Short Term Fund Direct Growth	500.82	-
73. 127,576.62 (Previous Year Nil) units of ₹ 1,000/- each of Pramerica Dynamic Bond Fund Growth Option	1,312.11	-
74. Nil (Previous Year 20,208.08) units of ₹ 1,000/- each of Pramerica Dynamic Bond Fund - Monthly Dividend Reinvestment	-	202.08
75. Nil (Previous Year 30,143.30) units of ₹ 1,000/- each of Pramerica Dynamic Bond Fund Monthly Dividend Reinvestment	-	302.10
76. 45,512.55 (Previous Year Nil) units of ₹ 1,000/- each of Pramerica Short Term Floating Rate Fund - Direct Plan - Growth Option	500.00	-
77. 18,368.84 (Previous Year Nil) units of ₹ 1,000/- each of Pramerica Short Term Floating Rate Fund - Growth Option	200.00	-
78. Nil (Previous Year 56,358.74) units of ₹ 1,000/- each of Pramerica Short Term Floating Rate Fund Weekly Dividend Reinvestment	-	563.59
79. Nil (Previous Year 52,608.45) units of ₹ 1,000/- each of Pramerica Short Term Income Fund Monthly Dividend - Reinvestment	-	527.19
80. Nil (Previous Year 500,505.32) units of ₹ 1,000/- each of Principal Cash Management Fund - Institutional Premium Plan - Dividend Reinvestment Daily	-	5,005.40
81. 5,126,118.00 (Previous Year Nil) units of ₹ 10/- each of Principal Income Fund Short Term Plan - Regular Plan Growth Option-Growth	1,000.62	-
82. 13,456,595.75 (Previous Year Nil) units of ₹ 10/- each of Reliance Dynamic Bond Fund Growth Plan	2,000.00	-
83. Nil (Previous Year 10,000,000.00) units of ₹ 10/- each of Reliance Fixed Horizon Fund XXII Series 1 Dividend Payout	-	1,000.00
84. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXII-Series 14- Growth Plan	500.00	-
85. 23,038,781.78 (Previous Year Nil) units of ₹ 10/- each of Reliance Floating Rate Fund - Short Term Plan - Growth Plan	4,000.00	-
86. 2,261,122.92 (Previous Year Nil) units of ₹ 10/- each of Reliance Medium Term Fund Direct Growth Plan - Growth Option	550.00	-
87. 62,807.30 (Previous Year Nil) units of ₹ 1000/- each of Reliance Money Manager Fund - Direct Growth Plan Growth Option	999.35	-
88. Nil (Previous Year 10,745.05) units of ₹ 1000/- each of Reliance Money Manager Fund - Institutional Option-Daily Dividend Plan	-	107.60
89. Nil (Previous Year 14,204,752.17) units of ₹ 10/- each of Reliance Regular Savings Fund - Debt Plan - Institutional Growth Plan	-	1,800.05
90. Nil (Previous Year 21,567,931.95) units of ₹ 10/- each of Reliance Short Term Fund- Dividend Plan Reinvestment	-	2,309.86
91. 11,469,496.30 (Previous Year Nil) units of ₹ 10/- each of Reliance Short Term Fund - Growth Plan Growth option	2,430.71	-
92. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Reliance Yearly Interval Fund - Series 5 -Direct Plan - Growth Plan	500.00	-
93. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Reliance Yearly Interval Fund - Series 1- Growth Plan	500.00	-
94. 8,907,238.26 (Previous Year Nil) units of ₹ 10/- each of Religare Active Income Fund - Growth	1,181.71	-

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forming part of the financial statements for the Year ended 31st March, 2013

(₹ lacs)

	As at 31.03.2013	As at 31.03.2012
95. Nil (Previous Year 10,762,688.05) units of ₹ 10/- each of Religare Active Income Fund - Plan B Monthly Dividend	-	1,079.73
96. Nil (Previous Year 6,400,297.89) units of ₹ 10/- each of Religare Credit Opportunities Fund Institutional - Daily Dividend Reinvestment	-	640.22
97. Nil (Previous Year 5,265,153.09) units of ₹ 10/- each of Religare Credit Opportunities Fund Institutional - Monthly Dividend	-	534.97
98. 20,366,816.18 (Previous Year Nil) units of ₹ 10/- each of Religare Short Term Fund - Growth	3,119.29	-
99. Nil (Previous Year 15,396,889.31) units of ₹ 10/- each of Religare Short Term Plan Plan A Monthly Dividend	-	1,613.15
100. 31,018.58 (Previous Year Nil) units of ₹ 1000/- each of Religare Ultra Short Term Fund-Direct Plan Growth	500.09	-
101. 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of SBI Debt Fund Series -366 Days 23 Direct Plan - Growth	500.00	-
102. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of SBI Debt Fund Series 90 days -58 Dividend Payout	-	500.00
103. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of SBI Debt Fund Series 90 days -60 Dividend Payout	-	500.00
104. Nil (Previous Year 4,985,332.53) units of ₹ 10/- each of SBI Magnum Income Fund – FR Savings Plus Bond Plan -DDR	-	501.63
105. 2,843,833.72 (Previous Year Nil) units of ₹ 10/- each of SBI Magnum Income Fund FR Long Term -Direct Plan - Growth	500.00	-
106. 49,871.48 (Previous Year Nil) units of ₹ 1000/- each of SBI Magnum Insta Cash Fund - Liquid Floater - Direct Plan - Growth	1,000.00	-
107. Nil (Previous Year 119,968.52) units of ₹ 1000/- each of SBI SHF- Ultra Short Term Fund - Institutional Plan DDR	-	1,200.40
108. 3,748,716.07 (Previous Year Nil) units of ₹ 10/- each of SBI Short Term Debt Fund - Direct Plan - Growth	500.00	-
109. 7,780,875.71 (Previous Year Nil) units of ₹ 10/- each of SBI Short Term Debt Fund - Regular Plan - Growth	1,000.00	-
110. Nil (Previous Year 9,448,113.25) units of ₹ 10/- each of SBNPP Ultra ST Fund Super Institutional Dividend Reinvestment Daily	-	948.31
111. Nil (Previous Year 4,997,751.00) units of ₹ 10/- each of Sundaram Fixed Income Interval Fund QS Plan B Dividend Payout	-	500.00
112. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Sundaram Fixed Term Plan Plan CL (366 days)-Growth	-	500.00
113. 2,848,808.06 (Previous Year Nil) units of ₹ 10/- each of Sundaram Flexible Fund - Short - Term Plan Regular Growth	500.00	-
114. Nil (Previous Year 4,998,600.00) units of ₹ 10/- each of Sundaram Interval Fund Quarterly Plan C - Institutional Dividend Payout	-	500.00
115. 3,026,671.03 (Previous Year Nil) units of ₹ 10/- each of Sundaram Mthly Income Plan Mod Bonus (PRINCIPAL Units) Bonus Units	333.33	-
116. 6,295,643.42 (Previous Year Nil) units of ₹ 10/- each of Sundaram Ultra Short- Term Fund Direct Plan Growth	1,000.00	-
117. Nil (Previous Year 10,350,597.74) units of ₹ 10/- each of Sundaram Ultra ST Fund Super Institutional Dividend Reinvestment Daily	-	1,038.89
118. Nil (Previous Year 4,993,458.57) units of ₹ 10/- each of Tata Fixed Income Portfolio Fund -B2 IP Dividend Payout	-	500.00
119. Nil (Previous Year 179,034.40) units of ₹1000/- each of Tata Treasury Manager SHIP DDR	-	1,808.82
120. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Taurus Fixed Maturity Plan 91 Days Series N Dividend Payout	-	500.00
121. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Taurus Fixed Maturity Plan 91 Days Series R Dividend Plan	-	500.00
122. 26,709.93 (Previous Year Nil) units of ₹ 1000/- each of Taurus Short Term Income Fund - Existing Plan - Growth	512.06	-

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forming part of the financial statements for the Year ended 31st March, 2013

(₹ lacs)

	As at 31.03.2013	As at 31.03.2012
123. Nil (Previous Year 20,655.00) units of ₹ 1000/- each of Taurus Ultra Short Term Bond Fund Super Institutional Daily P DDR	-	206.91
124. 31,216.80 (Previous Year Nil) units of ₹ 1000/- each of Taurus Ultra Short Term Fund- Existing Plan - Super Institutional Growth	428.79	-
125. 33,266,614.14 (Previous Year Nil) units of ₹ 10/- each of Templeton India Income Opportunities Fund - Direct - Growth	4,362.78	-
126. Nil (Previous Year 33,285,647.59) units of ₹ 10/- each of Templeton India Income Opportunities Fund Growth	-	3,500.00
127. 13,319,573.66 (Previous Year Nil) units of ₹ 10/- each of Templeton India Low Duration Fund - Growth	1,624.19	-
128. Nil (Previous Year 10,266,600.49) units of ₹ 10/- each of Templeton India Low Duration Fund - Monthly Dividend Reinvestment	-	1,066.13
129. 55,317.44 (Previous Year Nil) units of ₹ 1000/- each of Templeton India Short Term Income Plan - Institutional Growth	1,000.00	-
130. 130,428.70 (Previous Year 125,275.05) units of ₹ 1000/- each of Templeton India Short Term Income Plan - IP Monthly Dividend Reinvestment	1,561.91	1,500.00
131. 3,581.17 (Previous Year Nil) units of ₹ 1000/- each of Templeton India SHORT TERM INCOME Retail Plan - MONTHLY DIVIDEND Reinvestment	41.81	-
132. 1,147,405.55 (Previous Year Nil) units of ₹ 10/- each of Templeton India Ultra Short Bond Fund Super Institutional - Direct - Growth	175.00	-
133. Nil (Previous Year 24,983,534.21) units of ₹ 10/- each of Templeton India Ultra Short Bond Fund - Super Institutional Plan - Daily Dividend Reinvestment	-	2,501.25
134. 22,878,032.16 (Previous Year Nil) units of ₹ 10/- each of Templeton India Ultra Short Bond Fund - Super Institutional Plan - Growth	3,416.88	-
135. 46,105.54 (Previous Year Nil) units of ₹ 1000/- each of Union KBC Ultra Short Term Fund Debt Fund - Growth - Direct Plan	500.32	-
136. Nil (Previous Year 4,998,550.42) units of ₹ 10/- each of UTI - Fixed Income Interval Fund -Series II- Quarterly Interval Plan Series VII Institutional Dividend Payout	-	500.00
137. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of UTI - Fixed Maturity Plan - Quarterly Series(QFMP 02/12-1) IP Dividend Payout	-	500.00
138. 140,176.32 (Previous Year Nil) units of ₹ 1000/- each of UTI -Floating Rate Fund - STP - Regular Plan - Direct Plan - Daily Dividend Reinvestment	1,509.53	-
139. Nil (Previous Year 100,258.07) units of ₹ 1000/- each of UTI Money Market Mutual Fund Institutional Daily Dividend Reinvestment	-	1,005.96
140. 3,718,329.13 (Previous Year Nil) units of ₹ 10/- each of UTI Short Term Income Fund - Institutional Option - Growth	500.00	-
141. 3,615,172.15 (Previous Year Nil) units of ₹ 10/- each of UTI Short Term Income Fund - Institutional Option - Direct - Growth	500.00	-
142. Nil (Previous Year 50,224.35) units of ₹ 1000/- each of UTI Treasury Advantage Fund Institutional Plan - (Daily Dividend Option) Re-investment	-	502.34
143. Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 43 - 12M Growth	-	500.00
	88,811.72	80,986.79
Total other current investments (B)	**89,374.60**	81,108.42
Total current investments (A+B)	**132,042.90**	91,605.70
Aggregate amount of quoted investments	2,005.20	-
Aggregate Market value of listed and quoted investments	2,005.20	-
Aggregate amount of unquoted investments	130,037.70	91,605.70
Aggregate provision for diminution (write down) in the value of other current investments	88.12	123.56

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forming part of the financial statements for the Year ended 31st March, 2013

(₹ lacs)

17. TRADE RECEIVABLES	As at 31.03.2013	As at 31.03.2012
Unsecured, considered good unless stated otherwise		
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
(i) Considered good	248.01	252.41
(ii) Considered doubtful	445.22	362.90
(b) Other trade receivables		
Considered good	8,062.46	3,376.52
	8,755.69	3,991.83
Less: Provision for doubtful receivables	(445.22)	(362.90)
TOTAL	**8,310.47**	3,628.93
18. CASH AND CASH EQUIVALENTS		
Balances that meet the definition of Cash and Cash equivalents as per AS 3 - Cash Flow Statements		
Cheques on hand	-	111.27
Balances with banks		
In current accounts	2,799.01	3,552.65
In EEFC accounts	56.51	21,762.29
In deposit accounts with original maturity of less than 3 months	113.94	1,268.69
In earmarked accounts		
In current accounts	33.99	29.04
In deposit accounts with original maturity of less than 3 months	1,656.93	9,775.93
	4,660.38	36,499.87
Other Bank Balances		
In deposit accounts with original maturity of more than 12 months [Includes ₹ Nil (Previous Year: ₹ 4 lacs) under lien with bank against bank guarantees]	3,846.96	5.58
In deposit accounts with original maturity of more than 3 months but less than 12 months [Includes ₹ 18.33 lacs (Previous Year: ₹ 210.00 lacs) under lien with bank against bank guarantees]	20.77	3,324.32
In earmarked accounts		
Unpaid dividend accounts	78.09	71.06
	3,945.82	3,400.96
TOTAL	**8,606.20**	39,900.83
19. SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good unless stated otherwise		
Loans and advances to related parties (Refer Note 41)	5,952.34	4,843.76
Security deposits		
Considered good	875.65	756.51
Considered doubtful	15.25	1.61
	890.90	758.12
Less: Provision for doubtful deposits	(15.25)	(1.61)
	875.65	756.51
Loans and advances to employees		
Considered good	55.13	145.07
Considered doubtful	19.22	4.54
	74.35	149.61
Less: Provision for doubtful deposits	(19.22)	(4.54)
	55.13	145.07
Prepaid expenses	578.07	399.98
Balances with government authorities	659.96	928.56
Advances for supply of goods and services	319.01	466.61
TOTAL	**8,440.16**	7,540.49

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forming part of the financial statements for the Year ended 31st March, 2013

(₹ lacs)

20. OTHER CURRENT ASSETS	As at 31.03.2013	As at 31.03.2012
Unbilled revenue	203.33	-
Unamortised ancillary borrowing costs	469.57	468.79
Interest accrued on bank deposits	231.89	135.24
Interest accrued on investments	290.68	168.78
Interest receivable on income- tax refund	-	199.25
Receivable on cancellation of forward foreign exchange contracts	-	610.25
Contractually reimbursable expenses	103.32	83.60
Rent receivable	134.36	-
Guarantee Fees receivable from related party (Refer Note 41)	1,295.13	-
Other Receivable	263.03	-
TOTAL	**2,991.31**	1,665.91

21. REVENUE FROM OPERATIONS	Year Ended 31.03.2013	Year Ended 31.03.2012
Income from software products (IPR based license)	7,309.76	8,085.43
Income from software services (Project based)	35,337.41	32,801.12
IT infrastructure income	1,244.30	146.78
Sale of traded goods		
Computer hardware	19.35	296.87
Computer software	32.37	81.77
	51.72	378.64
Other operating revenues		
Business support services	1,054.91	987.99
Others	92.00	154.85
	45,090.10	42,554.81
22. OTHER INCOME		
Interest income on		
Bank deposits	664.58	747.78
Long-term investments	395.01	284.21
Loans to subsidiaries	2,487.53	704.29
Income-tax refund	580.10	199.25
Loans to employees	65.94	21.71
	4,193.16	1,957.24
Dividend income		
From long-term investments		
In associates	4,956.25	754.38
Others	4.00	6.45
From current investments		
In associates	-	132.20
Others	3,340.04	4,132.13
	8,300.29	5,025.16
Profit on sale of investments (net)		
Long-term investments	954.71	1,653.31
Current investments		
In associates (Refer Note 38)	-	24,982.12
Others	3,743.15	255.92
	4,697.86	26,891.35
Reversal of write down in value of current investments (net)	35.44	12.64
Other non-operating income		
Rental income from operating leases [Refer Note 29(b)]	1,400.35	1,222.53
Profit on sale of fixed assets	460.63	-
Provision for expenses no longer required written back	177.65	-

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forming part of the financial statements for the Year ended 31st March, 2013

(₹ lacs)

			Year Ended **31.03.2013**	Year Ended **31.03.2012**
Exchange rate fluctuations (net)			85.50	1,763.72
Guarantee fees (Includes ₹ 606.51 lacs relating to previous year)			1,295.13	-
Miscellaneous income			5.98	13.25
	TOTAL		**20,651.99**	36,885.89
23. PURCHASES OF STOCK-IN-TRADE				
Computer hardware			14.42	242.65
Computer software			17.41	38.69
	TOTAL		**31.83**	281.34
24. EMPLOYEE BENEFITS EXPENSE				
Salaries and wages			11,631.81	10,563.44
Contribution to provident fund and other funds (Refer Note 44)			544.96	450.95
Staff welfare expenses			233.93	233.71
	TOTAL		**12,410.70**	11,248.10
25. FINANCE COSTS				
Interest expense on:				
Borrowings			3,059.36	1,667.85
Delayed payment of tax			35.81	0.46
Other borrowing costs:				
Provision for estimated loss on interest rate swap contracts			648.87	950.99
Amortisation of ancillary borrowing costs			539.70	424.93
	TOTAL		**4,283.74**	3,044.23
26. DEPRECIATION AND AMORTISATION EXPENSE				
Depreciation of tangible assets			1,647.59	1,349.53
Amortisation of intangible assets			606.40	380.57
	TOTAL		**2,253.99**	1,730.10
27. OTHER EXPENSES*				
Electricity			460.07	387.22
Rent [Refer Note 29(a)]			757.22	892.89
Repairs and maintenance- buildings			28.03	18.60
Repairs and maintenance- others			479.95	218.17
Insurance			40.79	42.10
Rates and taxes, excluding taxes on income			314.75	246.33
Travelling and conveyance			235.01	174.02
Communication expenses			334.20	312.15
Legal and professional charges (Refer Note 33)			880.45	991.88
Software license fees			543.34	593.53
Loss on sale/redemption/reduction in shares in subsidiary companies (net)		-		11,045.35
Less: Provision held		-		(7,163.00)
			-	3,882.35
Loss on disposal/write off of fixed assets (net)		-		148.49
Less: Provision for impairment held		-		(104.61)
			-	43.88
Bad debts/advances written off		49.23		96.38
Less: Provision held		(24.59)		(63.24)
			24.64	33.14
Provision for doubtful trade receivables/advances			134.90	4.54
Donation			856.00	966.25
Miscellaneous expenses			1,425.20	1,384.54
	TOTAL		**6,514.55**	10,191.59

*Net of recoveries on account of sharing of common expenses with group companies (Refer Note 41)

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(₹ lacs)

28. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)	Current Year	Previous Year
1. Contingent liabilities:		
(a) Claims against the company not acknowledged as debt:		
(i) Income tax demands against which the Company is in appeal (including adjustable against Securities Premium account ₹ 3,869.18 lacs (Previous Year ₹ 1,941.03 lacs).	5,352.61	2,663.06
(ii) MVAT, Service tax and Excise dues contested by the Company.	551.56	515.17
(b) Guarantees		
Guarantees given to third parties by the Company on behalf of its subsidiary companies.	70,021.16	66,657.97
Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities.		
2. Letters of comfort issued to banks in respect of credit facilities availed by subsidiary companies.	400.00	5,200.00
3. Capital and other commitments		
(i) Estimated amount of contracts to be executed on capital account and not provided for.	1,152.77	227.55
(ii) for commitments relating to lease (Refer Note 29 below) and for commitment relating to derivatives (Refer Note 32)		

29. OPERATING LEASE

(a) The Company has entered into various cancellable and non cacellable operating lease agreements as a lessee for various premises having lease term ranging from 5 months to 36 months. The lease rentals recognised as an expense in the statement of profit and loss during the year are included in note 27 under the head Rent. The future minimum lease payments under non-cancellable operating lease are as follows:

(₹ lacs)

Particulars	Current Year	Previous Year
Lease expenditure		
Lease rentals [net of recoveries ₹ 270.07 lacs (Previous Year ₹ 285.81 lacs)] (Refer Note 27 'Rent'.)	757.22	843.01
Obligations on non-cancellable leases		
Not later than one year	12.72	538.78
Later than one year and not later than five years	-	320.95
Later than five years	-	-

(b) The Company has entered into various cancellable and non cancellable operating lease agreements as a lessor for various premises having lease ranging from 8 months to 36 months. The lease rentals recognised as income in the statement of profit and loss during the year are included in note 22 under the head rental income from operating leases.

(₹ lacs)

Particulars	Current Year	Previous Year
Lease Income		
Lease rentals	1,400.35	1,202.25
(included in Note 22 'Rental income from operating leases')		
Receivables on non-cancellable leases		
Not later than one year	129.73	1,100.00
Later than one year and not later than five years	-	1,017.94
Later than five years	-	-
Fixed Assets*		
Gross carrying amount of leased assets	11,924.57	11,924.57
Accumulated depreciation	470.84	276.47
Depreciation recognised	194.37	194.37

* The Company is charging rent/amenities to group companies for utilising part of its building. It is not feasible to segregate cost and depreciation amount in respect of fixed assets so utilised and hence it has not been included in this disclosure.

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30. (a) Expenditure in foreign currency (including foreign branches):

(₹ lacs)

Nature of Expenses	Current Year	Previous Year
Salaries and wages	57.42	132.76
Travelling expenses	55.49	17.85
Professional fees	29.72	39.49
Purchase of goods for trading	-	65.41
Interest expenses on borrowings	3,054.44	1,667.85
Amortisation of ancillary borrowing costs	383.02	285.28
Premium on redemption of ZCCB	-	6,037.06
Insurance	1.36	1.57
Rent	6.23	4.42
Repairs and maintenance - others	8.14	0.35
Software license fees	172.79	133.66
Miscellaneous expenses	57.79	110.65
TOTAL	**3,826.40**	8,496.35

(b) Earnings in foreign currency (including foreign branches):

(₹ lacs)

Nature of Income	Current Year	Previous Year
Income from software products (IPR based license)	49.78	23.33
Income from software services (Project based)	8,553.57	17,019.82
Sale of traded goods	8.55	-
Guarantee Fees	1,295.13	-
Interest on bank deposits	79.24	319.89
Interest on loans to subsidiaries	2,062.13	67.51
TOTAL	**12,048.40**	17,430.55

31. DISCLOSURES UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

(a) An amount of ₹ 13.47 lacs (As at March 31, 2012 ₹ 3.53 lacs) and ₹ NIL (Previous Year ₹ Nil) was due and outstanding to suppliers as end of the accounting year on account of Principal and Interest respectively. (Refer Note 9)

(b) No interest was paid during the year.

(c) No interest is payable at the end of the year under Micro, Small and Medium Enterprises Development Act, 2006.

(d) No amount of interest was accrued and unpaid at the end of the accounting year.

The above information regarding Micro and Small Enterprises has been determined to the extent replies to the Company's communication have been received from vendors/suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the auditors.

32. (a) Derivative Instruments Outstanding as at Balance Sheet Date

		Amount in foreign currency (USD in lacs)	
Type contract	**Currency**	As at **31.03.2013**	As at **31.03.2012**
Interest rate swap contracts (Floating to Fixed)	USD	1,100.00	500.00
Forward exchange contracts	Sell USD / Buy INR	21.00	-

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(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

		Current Year		Previous Year	
Particulars	**Currency**	**Foreign Currency in lacs**	**₹ Lacs**	**Foreign Currency in lacs**	**₹ Lacs**
Payables in foreign currency					
Borrowings	USD	1,100.00	59,828.23	1,100.00	56,272.15
Advances from customers	USD	208.30	11,329.32	208.30	10,655.92
Other payables	AED	1.48	22.01	0.59	8.35
	MUR	0.23	0.43	-	
	USD	2.35	127.99	7.15	365.75
Receivables in foreign currency					
Loans and advances to related parties	SGD	0.43	18.91	0.06	2.31
	USD	848.85	46,168.40	477.40	24,421.94
Trade receivables	USD	4.54	246.95	52.51	2,686.25
Other receivables	AED	-	-	0.15	2.09
	USD	25.30	1,376.05	0.34	17.14

33. LEGAL AND PROFESSIONAL CHARGES INCLUDES PAYMENTS TO AUDITORS (NET OF SERVICE TAX INPUT CREDIT)

(₹ lacs)

Particulars	Current Year	Previous Year
As auditors - statutory audit	28.00	28.00
For taxation matters	8.00	8.00
For other services	15.25	13.25
Reimbursement of expenses	0.65	0.61
TOTAL	**51.90**	49.86

34. SEGMENT REPORTING

The Company has presented segmental information in its consolidated financial statements, which are presented in the same annual report. Accordingly, in terms of the provisions of Accounting Standard (AS 17) “Segment Reporting”, no disclosures related to segments are presented in its stand-alone financial statements.

35. REVENUE EXPENDITURE INCURRED DURING THE YEAR ON RESEARCH AND DEVELOPMENT

The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of the account is ₹ 1,310.10 lacs (Previous Year ₹ 1,289.82 lacs).

36. EARNINGS PER SHARE IS CALCULATED AS FOLLOWS:

(₹ lacs)

Particulars	Current Year	Previous Year
(a) Net profit available for equity shareholders (for basic/diluted EPS)	32,288.06	47,802.93
(b) Weighted average number of equity shares		
Basic	46,078,537	46,078,537
Add: Effect of dilutive stock options	391,907	-
Diluted	46,470,444	46,078,537
(c) Basic earnings per share (in ₹)	70.07	103.74
(d) Diluted earnings per share (in ₹)	69.48	103.74
(e) Face value ₹ per share	2/-	2/-

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37. As at March 31, 2013, the Company's investments in certain subsidiaries and a joint venture company aggregating ₹ 49,090.30 lacs (Previous Year ₹ 48,045.31 lacs) and debts and other recoverable aggregating ₹ 49,003.84 lacs (Previous Year ₹ 26,403.73 lacs), which presently have accumulated losses, [share of aggregate losses till March 31, 2013 ₹ 87,082.53 lacs (Previous year ₹ 46,207.56 lacs)] but are expected to be recovered, and have their values unlocked in the near future, since these companies are already at various stages of executing their business plans and operations, with expected profitability. Accordingly, a provision for other than temporary diminution in the value of investments of ₹ 1,737.26 lacs (Previous Year ₹ 1,737.26 lacs) as at the year end March 31, 2013 is considered to be adequate. During the previous year an amount of ₹ 7,163.00 lacs was adjusted against the loss on sale/reduction/redemption in shares in subsidiary companies (net) (Refer Note 27).

38. The Company, as a part of its core business strategy, promotes and invests in new ventures that utilise its technological capabilities and domain expertise towards creating world class enterprises. The investment in each such venture is assessed for its risks and is limited to a pre-determined level and will generate returns after the ventures start ramping-up operations in varied time frame depending upon the line of business. The Company, as part of its non-linear business model, will endeavor to unlock value by broadening the investor base of its ventures.

During the previous year, in terms of the compliance of FMC Equity Structure Guidelines dated July 29, 2009, the Company offered under "offer for sale", in initial public offer of equity by Multi Commodity Exchange of India Limited (MCX), part of its investments aggregating 2,643,916 equity shares of ₹ 10/- each of MCX at a price of ₹ 1,032 per equity share of ₹ 10/- each. The resultant profit of ₹ 24,982.12 lacs (net of directly attributable expenses of ₹ 2,091.58 lacs) is grouped under 'Profit on sale of Investments' in Other Income (Refer Note 22). Subsequent to disinvestments, the Company is holding 26% in the equity share capital of MCX.

39. During the previous year, two of the Company's subsidiaries reduced their share capital by ₹ 13,403.94 lacs against their accumulated losses, as sanctioned by the Hon'ble High Court of Judicature at Bombay. Accordingly, net resultant loss of ₹ 7,921.54 lacs (net of provision for other than temporary diminution) was charged to the statement of profit and loss and shown under "Loss on sale/redemption/reduction in shares in subsidiary companies (net)".

40. The Company holds 27,165,000 Equity Shares of ₹ 1/- each in MCX Stock Exchange Limited (MCX-SX). As per the approval received from SEBI to MCX-SX, the Company's equity holding alongwith MCX shall not exceed 5% of the total paid up equity capital of MCX-SX. Considering the time available to adhere to the direction of SEBI as communicated by MCX-SX, the Company has classified such investments under Current Investments at this point of time till both the entities together reduce the percentage of holding to 5% in MCX-SX. The Company intends to hold the remaining shares of MCX-SX after bringing down the shareholding in MCX-SX to 5% put together with MCX, on a long term basis and accordingly the said Investments will be reclassified under Non-Current Investments.

41. RELATED PARTY DISCLOSURE:

I. Names of related parties and nature of relationship:

(i) Entities where control exists (Subsidiaries, including step down subsidiaries)

1. TickerPlant Ltd. (TickerPlant)
2. IBS Forex Ltd. (IBS)
3. atom Technologies Ltd. (atom)
4. Riskraft Consulting Ltd. (Riskraft)
5. National Spot Exchange Ltd. (NSEL)
6. Western Ghats Agro Growers Company Limited (subsidiary of NSEL) (w.e.f. September 5, 2012) (WGAGL)
7. Farmer Agricultural Integrated Development Alliance Ltd. (subsidiary of NSEL) (w.e.f. August 1, 2012) (FAIDA)
8. National Bulk Handling Corporation Ltd. (NBHC)
9. FT Group Investments Pvt. Ltd. (FTGIPL)
10. Financial Technologies Middle East- DMCC (FTME) (Subsidiary of FTGIPL w.e.f. March 25, 2012; formerly direct subsidiary of the Company)
11. Global Board of Trade Ltd. (GBOT) (Subsidiary of FTGIPL w.e.f. March 19, 2012; formerly direct subsidiary of the Company)
12. GBOT Clear Limited (GBOT CL) (subsidiary of GBOT) (w.e.f. February 14, 2013)
13. Knowledge Assets Pvt. Ltd. (KAPL)
14. Financial Technologies Communications Ltd. (FTCL)
15. Global Payment Networks Ltd. (GPNL)
16. FT Knowledge Management Company Ltd. (FTKMCL)
17. Indian Bullion Market Association Ltd. (Subsidiary of NSEL)
18. Trans-Global Credit & Finance Ltd. (TGCFL)
19. Capricorn Fin-Tech (Pvt). Ltd. (Subsidiary of FTME)
20. Bourse Africa Ltd. (BAL) (Subsidiary of FTGIPL)

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21. Boursa India Ltd. (BIL)
22. ICX Platform (Pty) Ltd. (ICX)
23. Credit Market Services Ltd. (CMSL)
24. Takshashila Academia of Economic Research Ltd. (TAER)
25. Apian Finance and Investments Ltd. (Apian)
26. Bahrain Financial Exchange BSC (c) (BFX) (Subsidiary of FTGIPL)
27. Financial Technologies Singapore Pte Ltd. (FTSPL)
28. Singapore Mercantile Exchange PTE Ltd. (SMX) (Subsidiary of FTSPL)
29. Singapore Mercantile Exchange Clearing Corporation PTE Ltd. (SMX-CCL) (Subsidiary of SMX)
30. BFX Clearing & Depository Corporation BSC(c) (Subsidiary of BFX)
31. FT Projects Ltd.
32. Financial Technologies Projects Pvt. Ltd.
33. ICX Africa Ltd. (subsidiary of BAL) (w.e.f. July 26, 2011)
34. Bourse Exchange Nigeria Ltd. (Subsidiary of BAL)
35. Bourse Africa (Kenya) Ltd. (Subsidiary of BAL)
36. Bourse Uganda Ltd. (Subsidiary of BAL)
37. Bourse Zambia Ltd. (Subsidiary of BAL)
38. Bourse Tanzania Ltd. (Subsidiary of BAL)
39. Bourse South Africa Limited (Subsidiary of BAL) (w.e.f. October 19, 2012)

(ii) Associate Companies:

1. Multi Commodity Exchange of India Ltd. (MCX)
2. MCX Stock Exchange Clearing Corporation Ltd. (MCX-SX CCL)
3. Indian Energy Exchange Ltd. (IEX)
4. SME Exchange of India Ltd. (SME) (w.e.f. Sept. 26, 2011)

(iii) Joint Venture Companies:

1. Dubai Gold and Commodities Exchange (DGCX)

(iv) Key Management Personnel

1. Mr. Jignesh Shah : Chairman and Managing director
2. Mr. Dewang Neralla : Whole time director
3. Mr. Manjay Shah* : Whole time director

*Appointed as wholetime director w,e.f. April 01, 2012

(v) Relative of the Key Management Personnel where transactions have taken place

Mr. Manjay Shah

(vi) Entity over which Key management personnel is able to exercise significant influence

La-fin Financial Services Pvt. Ltd. (La-fin)

II. Transaction with subsidiaries, associates and joint venture entities:

(₹ lacs)

Nature of Transaction	Subsidiary Companies	Associate Companies	Joint Venture Company	Total
1. Loan given:				
Opening balance	29,160.70	-	-	29,160.70
	(10,311.75)	(-)	(-)	(10,311.75)
Given during the year	26,304.20	-	-	26,304.20
	(31,695.00)	(-)	(-)	(31,695.00)
Repaid/adjusted during the year	3,104.78	-	-	3,104.78
	(11,571.05)	(-)	(-)	(11,571.05)
Converted into Optionally Convertible Debentures (OCD)	2,500.00	-	-	2,500.00
	(-)	(-)	(-)	(-)
Converted into equity by TickerPlant	-	-	-	-
	(1,275.00)	(-)	(-)	(1,275.00)

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(₹ lacs)

Nature of Transaction	Subsidiary Companies	Associate Companies	Joint Venture Company	Total
Balance as at end of the year	49,860.12 (29,160.69)	- (-)	- (-)	49,860.12 (29,160.69)
2. Income from software products (IPR based license)	219.14 (166.09)	79.62 (87.64)	- (-)	298.76 (253.73)
3. Income from software services (Project based)	10,982.99 (17,093.94)	13,037.78 (10,776.56)	451.92 (398.24)	24,472.69 (28,268.74)
4. IT infrastructure sharing income	2.10 (61.31)	304.55 (61.38)	- (-)	306.65 (122.69)
5. Sale of traded goods	8.55 (89.98)	8.00 (3.33)	- (-)	16.55 (93.31)
6. Other Operating revenues				-
Business Support Services	545.74 (435.60)	303.55 (240.00)	- (-)	849.29 (675.60)
Others	- (1.54)	21.28 (21.28)	 (-)	21.28 (22.82)
7. Other Income				-
Interest income	2,487.53 (704.29)	- (-)	- (-)	2,487.53 (704.29)
Rental income from operating leases	513.21 (362.24)	- (-)	- (-)	513.21 (362.24)
Dividend Income	- (-)	4,956.25 (886.58)	- (-)	4,956.25 (886.58)
Guarantee fees	1,295.13 (-)	- (-)	- (-)	1,295.13 (-)
8. Sale of Tangible Assets	2.04 (22.43)	0.89 (1.38)	- (-)	2.93 (23.81)
9. Purchase of Tangible Assets	12.26 (14.48)	7.24 (2.64)	- (-)	19.50 (17.12)
10. Purchase of an Intangible Asset from TickerPlant	- (1,800.00)	- (-)	- (-)	- (1,800.00)
11. Recoveries charged by the Company towards expenses (Refer Note 27)	509.61 (647.99)	217.05 (607.53)	- (-)	726.66 (1,255.52)
12. Reimbursement of expenses charged to the Company				
-by MCX relating to Offer for Sale by the Company as part of the public issue of MCX.	- (-)	1,227.76 (1,375.51)	- (-)	1,227.76 (1,375.51)
- other expenses	69.93 (175.10)	15.03 (130.72)	- (-)	84.96 (305.82)
13. Advances given				
- Balance as at end of the year	1,151.34 (59.14)	4.51 (-)	- (-)	1,155.85 (59.14)
14. Current Liabilities as at end of the year				-
- Trade payables	15.90 (8.35)	- (-)	- (-)	15.90 (8.35)
- Income received in advance/unearned revenue	850.86 (753.22)	898.86 (159.67)	- (33.91)	1,749.72 (946.80)
- Advances from Customers	11,285.80 (10,614.97)	- (-)	- (-)	11,285.80 (10,614.97)
15. Receivables				-
- Trade receivables Balance as at end of the year	2,636.35 (2,195.85)	51.08 (-)	6.53 (431.70)	2,693.96 (2,627.55)
- Guarantee Fees receivable	1,295.13 (-)	- (-)	- (-)	1,295.13 (-)

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(₹ lacs)

Nature of Transaction	Subsidiary Companies	Associate Companies	Joint Venture Company	Total
16. Guarantees given by the company on behalf of its subsidiaries.				
Increase in guarantees given	4,098.19	-	-	4,098.19
	(8,230.72)	(-)	(-)	(8,230.72)
Decrease in guarantees given	735.00	-	-	735.00
	(16,950.00)	(-)	(-)	(16,950.00)
Balance as at end of the year	70,021.16	-	-	70,021.16
	(66,657.97)	(-)	(-)	(66,657.97)
17. Investments made during the year				
Subscription to Equity/Ordinary shares	1,425.00	-	-	1,425.00
	(11,535.34)	(4.90)	(-)	(11,540.24)
Purchase of Equity/Ordinary shares	-	-	-	-
	(6.78)	(-)	(-)	(6.78)
Conversion of loan granted into Equity/Ordinary shares by Ticker plant	-	-	-	-
	(1,275.00)	(-)	(-)	(1,275.00)
Subscription to optionally convertible preference shares	-	-	-	-
	(5,504.50)	(-)	(-)	(5,504.50)
Conversion of loan granted into Optionally Convertible Debentures (OCD) by FT Projects Ltd.	2,500.00	-	-	2,500.00
	(-)	(-)	(-)	(-)
18. Receipt on sale/reduction of Equity/Ordinary shares	-	-	-	-
	(6,851.95)	(-)	(-)	(6,851.95)
19. Receipt on sale/redemption of optionally convertible preference shares from FTGIPL	-	-	-	-
	(43,624.42)	(-)	(-)	(43,624.42)
20. Equity investment reduced during the year (Refer Note 39)	-	-	-	-
	(13,403.94)	(-)	(-)	(13,403.94)
21. Investment balance as at end of the year				
Cost	64,517.41	2,554.70	828.78	67,900.89
	(60,592.41)	(2,554.70)	(828.78)	(63,975.89)
Provision for other than temporary diminution in the value of Investments	1,737.26	-	-	1,737.26
	(1,737.26)	(-)	(-)	(1,737.26)
Net Carrying value of Investments	62,780.15	2,554.70	828.78	66,163.63
	(58,855.15)	(2,554.70)	(828.78)	(62,238.63)

Previous year figures are given in brackets.

III. Transactions with Key Managerial Personnel, relatives of Key Managerial Personnel and Entity in which the Key Management has control.

(₹ lacs)

Nature of Transaction	Key Managerial Personnel	Relatives of Key Managerial Personnel	Entity over which the key management personnel is able to exercise significant influence-La-Fin	Total
1. Salary and Allowances	2,156.91	-	-	2,156.91
	(1,727.71)	(60.00)	(-)	(1,787.71)
2. Dividend paid during the year	677.35	-	986.40	1,663.75
	(671.20)	(6.15)	(983.63)	(1,660.98)
3. Salary and Allowance payable as at the end of the year	1,500.00	-	-	1,500.00
	(1,250.00)	(-)	(-)	(1,250.00)

Note: Out of the above items, transactions with related parties in excess of 10% of the total related party transactions are:

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(a) Key Managerial personnel

(₹ lacs)

Transactions during the year	Key Managerial Personnel
Salary and allowances	
Jignesh Shah	1,802.82
	(1,551.38)
Dewang Neralla	176.62
	(176.33)
Salary and Allowance payable as at the end of the year (Jignesh Shah)	1,500.00
	(1,250.00)
Dividend paid	
Jignesh Shah	666.37
	(666.37)

(b) Transactions with subsidiaries, associates and a joint venture company in excess of 10% of Total Related Party Transactions:

(₹ lacs)

Transactions during the year	Subsidiaries/Associates/Joint Venture Company									
	atom	TickerPlant	Riskraft	NBHC	NSEL	IBMA	FTCL	FTME	Apian	FTKMCL
Loan given	735.75	718.00	-	-	-	-	-	-	1,656.50	-
	(1,094.25)	(1,558.50)	(-)	(-)	-	(-)	(-)	(106.72)	(1,890.00)	(-)
Loan repaid	1,404.00	120.00	-	-	-	-	-	-	1,450.98	-
	(2,428.00)	(1,775.00)	(-)	(-)	(2,900.00)	(-)	(-)	(106.72)	(1,245.00)	(-)
Income from software products	-	-	-	-	178.63	-	-	40.51	-	-
(IPR based license)	(-)	(-)	(-)	(-)	(142.96)	(-)	(-)	(23.13)	(-)	(-)
Income from software services	-	-	-	-	2,969.85	-	-	-	-	-
(Project based)	(-)	(-)	(-)	(-)	(426.05)	(-)	(-)	(-)	(-)	(-)
IT-infrastructure	-	-	-	1.75	0.18	-	-	-	-	-
sharing income	(-)	(-)	(-)	(17.16)	(14.80)	(-)	(-)	(-)	(-)	(-)
Sale of traded goods	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(85.65)	(-)	(-)	(-)	(-)	(-)
Business Support Services	240.00	60.00	-	-	146.14	-	-	-	-	-
	(240.00)	(60.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Interest Income	78.75	44.23	-	-	-	-	-	-	288.32	-
	(73.18)	(185.94)	(-)	(-)	(150.77)	(-)	(-)	(-)	(187.68)	(-)
Rental income from operating leases	63.00	150.00	-	49.16	157.20	33.74	-	-	-	53.34
	(138.59)	(197.25)	(-)	(-)	(-)	(26.40)	(-)	(-)	(-)	(-)
Dividend Income	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Tangible Assets	-	1.25	-	0.18	0.40	-	-	-	-	-
	(-)	(0.05)	(-)	(20.17)	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Tangible Assets	6.85	2.94	-	-	-	-	-	-	-	-
	(11.47)	(2.49)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Recoveries charged by the	36.56	98.72	-	157.34	112.87	-	-	-	-	-
company towards expenses (Refer Note 27)	(83.65)	(166.77)	(-)	(210.17)	(-)	(-)	(-)	(-)	(-)	(-)
Reimbursement of expenses	-	0.44	-	1.03	-	-	55.44	-	-	2.60
charged to the Company - Others expenses	(-)	(0.14)	(-)	(3.64)	(-)	(-)	(-)	(-)	(-)	(108.51)
Increase in guarantees given	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Decrease in guarantees given	-	-	-	-	735.00	-	-	-	-	-
	(-)	(-)	(-)	(-)	(16,950.00)	(-)	(-)	(-)	(-)	(-)
Investment made during the year	1,425.00	-	-	-	-	-	-	-	-	-
	(2,502.81)	(1,275.00)	(-)	(3.97)	(-)	(-)	(-)	(-)	(-)	(-)
Receipt on sale/reduction of Equity/	-	-	-	-	-	-	-	-	-	-
Ordinary shares	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Equity investment reduced	-	-	-	-	-	-	-	-	-	-
during the year	(5,533.19)	(7,870.75)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

(b) Transactions with subsidiaries, associates and a joint venture company in excess of 10% of Total Related Party Transactions (Contd.):

(₹ lacs)

Transactions during the year	Subsidiaries/Associates/Joint Venture Company									
	GBOT	FTGIPL	Boursa Africa	Takshashila	BFX	SMX	FT Projects	FT Singapore	MCX	IEX
Loan given	-	11,788.73	-	-	-	-	2,500.00	8,888.64	-	-
	(-)	(23,020.43)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Loan repaid	-	-	-	-	-	-	-	-	-	-
	(2,569.63)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Income from software products	-	-	-	-	-	-	-	-	79.62	-
(IPR based license)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(87.64)	(-)
Income from software services	2,602.10	-	-	-	2,490.14	1,876.15	-	-	12,027.50	-
(Project based)	(4,085.16)	(-)	(5,035.82)	(-)	(3,100.50)	(3,293.92)	(-)	(-)	(9,519.12)	(-)
IT-infrastructure	-	-	-	-	-	-	-	-	304.55	-
sharing income	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(58.94)	(-)
Sale of traded goods	8.55	-	-	-	-	-	-	-	8.00	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(3.33)	(-)
Business Support Services	-	-	-	-	-	-	-	-	303.55	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(240.00)	(-)
Others	-	-	-	-	-	-	-	-	21.28	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(21.28)	(-)
Interest Income	-	1,711.93	-	-	-	-	-	346.28	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Rental income from operating leases	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Dividend Income	-	-	-	-	-	-	-	-	4,773.45	182.81
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(795.18)	(91.40)
Sale of Tangible Assets	-	-	-	-	-	-	-	-	0.78	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(1.29)	(-)
Purchase of Tangible Assets	-	-	-	-	-	-	-	-	7.24	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(2.64)	(-)
Recoveries charged by the	-	-	-	-	-	-	-	-	193.39	-
company towards expenses (Refer Note 27)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(582.65)	(-)
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	12.02
charged to the Company - Others expenses	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(130.21)	(-)
Increase in guarantees given	-	4,089.49	-	-	-	-	-	-	-	-
	(-)	(8,230.72)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Decrease in guarantees given	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment made during the year	-	-	-	-	-	-	2,500.00	-	-	-
	(5,504.50)	(-)	(-)	(-)	(-)	(-)	(-)	(9,035.34)	(-)	(-)
Receipt on sale/reduction of Equity/	-	-	-	-	-	-	-	-	-	-
Ordinary shares	(-)	(6,838.55)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Equity investment reduced	-	-	-	-	-	-	-	-	-	-
during the year	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

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42. LOANS AND ADVANCES IN THE NATURE OF LOANS (as required by clause 32 of the listing agreement with the stock exchanges)

(₹ lacs)

Name of the Company		Balance as on 31.03.13	Balance as on 31.03.12	Maximum amount outstanding during the year
National Bulk Handling Corporation Ltd.	Subsidiary	2.58	-	61.42 (227.08)
National Spot Exchange Ltd.	Subsidiary	1.36	2.63	84.54 (3,104.66)
TickerPlant Ltd.	Subsidiary	921.42	328.49	983.68 (3,080.90)
Riskraft Consulting Ltd.	Subsidiary	-	-	- (0.99)
atom Technologies Ltd.	Subsidiary	250.80	923.78	1,451.69 (2,432.42)
Financial Technologies Communications Ltd.	Subsidiary	-	-	9.65 (205.58)
Indian Energy Exchange Ltd.	Associate	4.26	-	5.17 (7.47)
FT Group Investments Pvt. Ltd.	Subsidiary	35,778.26	23,046.91	35,778.26 (23,046.91)
Singapore Mercantile Exchange Pte Ltd.	Step down Subsidiary	0.03	-	3.72 (187.69)
FT Knowledge Management Company Ltd.	Subsidiary	0.38	104.79	104.79 (876.13)
Trans-Global Credit & Finance Ltd.	Subsidiary	1.50	1.00	1.54 (1.05)
Apian Finance & Investment Ltd.	Subsidiary	3,475.52	3,270.00	4,060.06 (4,360.00)
Credit Market Services Ltd.	Subsidiary	19.00	19.00	19.90 (20.68)
Takshashila Academia of Economic Research Ltd.	Subsidiary	132.00	149.00	152.64 (293.89)
Global Board of Trade Ltd.	Step down Subsidiary	-	-	20.16 (2,569.89)
Bourse Africa Ltd.	Step down Subsidiary	3.84	-	25.15 (2.55)
Financial Technologies Middle East DMCC	Step down Subsidiary	-	-	- (109.10)
ICX Platform (PTY) Ltd.	Subsidiary	155.07	142.16	155.07 (142.16)
Multi Commodity Exchange of India Ltd.	Associate	0.07	-	107.23 (2,288.75)
MCX-SX Clearing Corporation Ltd.	Associate	0.19	-	18.51 (1.01)
Indian Bullion Market Association Ltd.	Step down Subsidiary	6.67	0.03	28.63 (41.22)
Financial Technologies Singapore Pte Ltd.	Subsidiary	10,253.82	1,232.04	10,253.82 (1,232.04)
Bahrain Financial Exchange (BSC)	Step down Subsidiary	9.20	-	9.20 (31.98)
TOTAL		**51,015.97**	29,219.83	

Notes: (i) Loans to employees as per the Company's policy are not considered.
(ii) None of the loanees have made investments in the shares of the Company.
(iii) Above amount includes non-interest bearing advances.
(iv) Previous year figures are given in brackets.

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43. STOCK BASED COMPENSATION

(a) During the financial year 2011-12, Remuneration and Compensation Committee (“Committee”) of the Company had granted 900,000 Stock Options (“Options”) each under the Employee Stock Option Scheme – 2009 & 2010 totalling to 1,800,000 options at a price of ₹ 770/- to the eligible employees/Directors of the Company (“Employees”) in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time and as approved by the Shareholders at the Annual General Meetings of the Compnay held on 25th September 2009 & 29th September 2010 respectively.

During the year under review, Remuneration and Compensation Committee (“Committee”) of the Company at their meeting held on March 05, 2013 has considered and approved the grant from reissue of lapsed/cancelled options of 186,630 Stock Options (“Options”) under the Employee Stock Option Schemes ("scheme") of which 74,350 options are granted under scheme-2009 and 112,280 options under scheme-2010 at a price of ₹ 807.70 to the eligible employees/Directors of the Company (“Employees”) in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

Details of the Option granted under stock option schemes are as under:

Schemes	Grant Date	No. of Options Granted	Exercise Price in ₹	Vesting Period
ESOP 2009	March 14, 2012	900,000	770.00 770.00 770.00	14.03.2012 - 13.03.2013 14.03.2012 - 13.03.2014 14.03.2012 - 13.03.2015
ESOP 2010	March 14, 2012	900,000	770.00 770.00 770.00	14.03.2012 - 13.03.2013 14.03.2012 - 13.03.2014 14.03.2012 - 13.03.2015
ESOP 2009 (reissue of lapsed/cancelled options)	March 05, 2013	74,350	807.70 807.70 807.70	05.03.2013 - 04.03.2014 05.03.2013 - 04.03.2015 05.03.2013 - 04.03.2016
ESOP 2010 (reissue of lapsed/cancelled options)	March 05, 2013	112,280	807.70 807.70 807.70	05.03.2013 - 04.03.2014 05.03.2013 - 04.03.2015 05.03.2013 - 04.03.2016

Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of ₹ 2/- each. The Intrinsic value of each option is nil, since the options were granted at the market price of the equity shares on the date of grant. The options shall vest in three installments of 20%, 30% and 50% at the end of 1st year, 2nd year and 3rd year respectively from the date of the grant and can be exercised within three months from vesting of options or as may be determined by the Remuneration & Compensation Committee. The tenure of the Schemes is for maximum period of five years from the date of grant of options.

The particulars of the options granted, lapsed and cancelled under aforementioned schemes are as follows:

Particulars	ESOP 2009 (Nos.)	ESOP 2010 (Nos.)
Options outstanding as at the beginning of the year	900,000 (-)	900,000 (-)
Options granted during the year	74,350 (900,000)	112,280 (900,000)
Options exercised during the year	- (-)	- (-)
Options lapsed/forfeited/cancelled during the year	81,850 (-)	131,325 (-)
Options outstanding as at the year-end	892,500 (900,000)	880,955 (900,000)
Options exercisable as at the year-end	163,630 (-)	153,735 (-)

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(b) The Company has followed the intrinsic value-based method of accounting for stock option. Had the compensation cost of the Company's stock based compensation plans been determined using the fair value approach, the Company's net profit for the year would have been lower by ₹ 2,006.40 lacs (Previous Year lower by ₹ 114.22 lacs) and earnings per share would have been lower as indicated below:

(₹ lacs)

Particulars			Current Year	Previous Year
Net profit for the year (₹ lacs)			32,288.06	47,802.93
Less: Total stock-based employee compensation expense determined under fair value based method			2,006.40	114.22
Adjusted net profit for basic & diluted EPS			30,281.66	47,688.71
Weighted average no. of shares	:	Basic	46,078,537	46,078,537
	:	Diluted	46,470,444	46,078,537
Basic and diluted earnings per share (face value ₹ 2/- per share)				
- As reported (in ₹)	:	Basic	70.07	103.74
	:	Diluted	69.48	103.74
- As adjusted (in ₹)	:	Basic	65.72	103.49
	:	Diluted	65.16	103.49

The weighted average fair value of each option on the date of grant/reissue is ₹ 249.05 / ₹ 238.67 under ESOP Scheme - 2009 & 2010 using the Black-Scholes Option Pricing Formula, considering the following parameters:

Particulars	ESOP 2009 & ESOP 2010	
	Options granted during F.Y. 2011-12	Options granted during F.Y. 2012-13
(i) Expected volatility	42.18% to 45.94%	38.57% to 39.27%
(ii) Option life	1.13 years - 3.13 years	1.13 years - 3.13 years
(iii) Dividend yield	0.68%	0.74%
(iv) Risk-free interest rate	8.13% to 8.18%	7.80% to 7.83%
(v) To allow for the effects of early exercise, it is assumed that the employees would exercise the options after vesting date.		
(vi) Expected volatility is based on the historical volatility of the share prices over the period that is commensurate with the expected term of the option.		

44. EMPLOYEE BENEFIT PLANS:

Defined contribution plans: Amounts recognised as expenses towards contributions to provident fund, employee state insurance corporation and other funds by the Company are ₹ 294.33 lacs (Previous Year ₹ 265.30 lacs). Contribution to PF: ₹ 290.52 Lacs (Previous Year ₹ 261.62 Lacs) Contribution to ESIC: ₹ 3.81 Lacs (Previous Year ₹ 3.68 Lacs)

Post employment defined benefit plans:

Gratuity Plan: The Company makes annual contributions to the Employee's Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the status of the gratuity plan as required under AS -15 (Revised):

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(₹ lacs)

Sr No	Nature of Transactions	Current Year	Previous Year
I.	**Change in benefit obligation:**		
	Projected benefit obligation at the beginning of the year	947.81	775.73
	Interest Cost	80.40	64.00
	Current Service Cost	116.85	150.50
	Benefits Paid	(70.09)	(96.72)
	Actuarial (gain)/loss on obligations	116.35	25.32
	Obligation transferred/settled	(28.91)	28.98
	Projected benefit obligation at the end of the year	**1,162.41**	**947.81**
II.	**Change in plan assets**		
	Fair Value of the plan asset at beginning of the year	721.41	593.89
	Expected return on plan assets	62.04	49.00
	Contributions	155.74	170.07
	Benefits paid	(70.09)	(96.72)
	Obligation transferred	(28.91)	-
	Actuarial gain on plan assets	0.93	5.17
	Fair value of plan assets at the end of the year	**841.12**	**721.41**
	Excess of obligation over plan assets	**(321.29)**	**(226.40)**
III.	**Gratuity expense for the year**		
	Current service cost	116.85	150.50
	Interest cost	80.40	64.00
	Expected return on plan assets	(62.04)	(49.00)
	Net actuarial (gain)/loss recognized	115.42	20.15
	TOTAL	**250.63**	**185.65**
IV.	**Actual return on plan assets**	**62.97**	**54.17**
V.	**Category of Assets as at end of the year**		
	Insurer Managed Funds	841.12	721.41
	Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned asset is not available		
	TOTAL	**841.12**	**721.41**
VI.	**Assumptions**		
	Discount rate	8.00%	8.75%
	Salary escalation rate	7.50%	7.50%
	Expected rate of return on plan assets	8.70%	8.75%

Sr No	Nature of Transactions	2013	2012	2011	2010	2009
VII.	**Experience adjustments:**					
	Defined benefit obligation	1,162.41	947.81	775.73	667.03	535.48
	Fair value of planned assets	841.12	721.41	593.88	452.59	349.29
	Deficit	321.29	226.40	181.85	214.44	186.19
	Experience adjustment on plan liabilities [(Gain)/Loss]	22.61	71.26	68.23	(26.59)	19.02
	Experience adjustment on plan assets [Gain/(Loss)]	0.93	5.17	6.01	4.28	1.78

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.

The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

The Company expects to contribute ₹ 350.19 lacs to the plan assets during financial year 2013-14.

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forming part of the financial statements for the Year ended 31st March, 2013

45. JOINT VENTURE DISCLOSURE:

(a) Jointly Controlled Entity ('JCE') of the Company:

Name of the Entity	:	Dubai Gold and Commodities Exchange DMCC ('DGCX')
Country of Incorporation	:	United Arab Emirates
% Holding	:	18.58% (Previous Year 18.58%)

(b) Company's share of interest in the assets, liabilities, income, expenses,contingent liabilities and commitments with respect to JCE as at and for the year ended March 31, 2013:

The amounts are translated at the year end rate for assets and liabilities and average rate for income and expenses for DGCX.

Transactions during the year	₹ lacs
I. Assets	
1. Fixed Assets	44.03 (83.10)
2. Current Assets	
(a) Trade receivables	11.52 (44.01)
(b) Cash and cash equivalents	8,115.13 (5,189.98)
(c) Short term loans and advances	101.94 (26.03)
(d) Other Current Assets	82.84 (41.03)
II. Liabilities	
1. Trade payables	878.07 (767.93)
2. Other Current Liabilities	7,684.65 (4,767.27)
3. Provisions	242.22 (198.49)
III. Income	
1. Admission Fees	39.75 (89.53)
2. Transaction Fees	758.92 (290.61)
3. Interest Income	149.68 (107.64)
4. Other Income	22.25 (13.64)
IV. Expenses	
1. Employee benefits expense	447.76 (445.41)
2. Other expenses	555.08 (328.21)
3. Depreciation and amortisation expenses	39.38 (39.84)
V. Contingent liabilities	- (-)
VI. Capital and other commitments	- (-)

Previous year figures are given in brackets.

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forming part of the financial statements for the Year ended 31st March, 2013

46. REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

The Company has paid dividend, during the year, in respect of shares held by non-resident shareholders including Foreign Institutional Investors and GDR custodian. The total amount remitted as stated below represents amount paid into Indian bank as per mandate/direction given by the non resident shareholders. Consequently, the exact amount of dividend remitted in foreign currency cannot be ascertained.

Year to which the dividend relates	Number of non resident shareholders	Number of Shares held by non resident shareholders on which dividend is due	Amount of dividend paid to Non Resident shareholders (Amount in ₹ lacs)
Dividends paid during 2012-13			
2012-13 (1st Interim Dividend)	673	9,365,494	187.31
2012-13 (2nd Interim Dividend)	776	11,086,438	221.73
2012-13 (3rd Interim Dividend)	812	11,413,748	228.27
2011-12 (Final Dividend)	663	10,665,168	213.30
Dividends paid during 2011-12			
2011-12 (1st Interim Dividend)	667	11,189,261	223.79
2011-12 (2nd Interim Dividend)	672	10,793,328	215.87
2011-12 (3rd Interim Dividend)	688	10,371,909	207.44
2010-11 (Final Dividend)	662	11,206,655	224.13

47. As per Regulatory requirement under Central Electricity Regulatory commission (Power Market) Regulations 2010, the Company needs to reduce its holding in an associate company viz. Indian Energy Exchange Limited (IEX) to 25% on or before 20th January 2014 and accordingly holding in excess of 25% of the share capital of IEX i.e. 8.49% is shown under current investment.

48. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board

Jignesh Shah
Chairman & Managing Director

P. R. Barpande
Director

Naishadh Desai
Sr. Vice President (Legal) & Company Secretary

Devendra Agrawal
Chief Financial Officer

Place : Mumbai
Date : 30th May, 2013

SUPPLEMENTARY NOTES

to the Financial Statements (as amended) for the year ended March 31, 2013

Prior to the Annual General Meeting of the Company which was scheduled on September 25, 2013, the Statutory Auditors of the Company, Deloitte Haskins & Sells (now converted to Deloitte Haskins & Sells LLP) vide their letter dated September 23, 2013 inter alia informed the Company that as per Standard on Auditing (SA) 560 – Subsequent Events, issued by the Institute of Chartered Accountants of India (ICAI), the audit report dated May 30, 2013 issued by them on the Standalone Financial Statements of the Company for the year ended March 31, 2013 should no longer be relied upon. Hence, the Company at its Annual General Meeting (AGM) held on September 25, 2013 had to defer Agenda items 1, 2 and 5 of the Notice of AGM relating to: (1) adoption of the Audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year ended on that date together with the Schedules attached thereto, and the reports of the Board of Directors and Auditors thereon; (2) declaration of Final Dividend on Equity Shares; and (3) appointment of the retiring Statutory Auditors of the Company, to hold office from the conclusion of that AGM until the conclusion of the next AGM and to authorize the Board of Directors/ Committee to fix their remuneration.

Subsequently, considering the developments with regard to National Spot Exchange Limited (NSEL), the Board of Directors of the Company (Board) deliberated upon whether the Standalone Financial Statements for the year ended March 31, 2013 are required to be amended. Legal opinions were sought on the matter and based on the legal opinions obtained by the Company from leading law firms stating that no amendments are required to the Standalone Financial Statements for the year ended March 31, 2013 already approved by the then Board on May 30, 2013; in view thereof, the Board, at their meeting held on November 29, 2013, resolved that no amendment was required to be made to the Standalone Financial Statements for the year ended March 31, 2013.

The Board, however, decided that it would be necessary and prudent to appraise the shareholders about the issues raised in connection with NSEL by including these supplementary notes to such Financial Statements to enable the shareholders of the Company to read the Standalone Financial Statements for the year ended March 31, 2013 in conjunction with these supplementary notes, as an addendum to the accompanying notes 1 to 48 forming part of the Standalone Financial Statements. Hence, the Board has, at their meeting held on November 29, 2013, approved these supplementary notes to the Standalone Financial Statements for the year ended March 31, 2013. Accordingly, the Standalone Financial Statements for the year ended March 31, 2013, stand amended only to the extent of these approved supplementary notes.

1. **Investments made by the Company in NSEL:**

   As on March 31, 2013, the Company had an investment amounting to ₹ 4,499.99 lacs (Previous Year ₹ 4,499.99 lacs) in NSEL. The situation of NSEL was unearthed only at the end of July 2013 after the Financial Statements of the Company were finalised and approved by the Board of Directors. NSEL is still undergoing various enquiries and adjudications by the regulatory authorities. It is pertinent to mention that the investment made by the Company is strategic and long term in nature. Consequently, this investment has been carried at its cost in the Company's Financial Statements in accordance with Accounting Standard (AS) -13, Accounting for Investments. Therefore, the quantum of diminution, if any, in the value of such long term investments in NSEL cannot be ascertained as at March 31, 2013 or at the date on which the Financial Statements of the Company were approved by the Board of Directors on May 30, 2013. Accordingly, no provision was considered necessary by the Management towards diminution in the value of the investments as at March 31, 2013. The Board, if required, will take cognizance of the need to consider the quantum of diminution, if any, during the subsequent financial year(s) / period.

2. **Income earned from NSEL:**

   During the year ended March 31, 2013, the Company has earned Income of ₹ 3,452.00 lacs from NSEL as detailed below, which constitutes 5.25% of the standalone total income of the Company:

(₹ lacs)

Particulars	Amount
Income from software products (IPR based license)	178.63
Income from software services (Project based)	2,969.85
IT infrastructure sharing income	0.18
Business support services	146.14
Rental Income from Operating Leases	157.20
TOTAL	**3,452.00**

The above income includes software maintenance and support services for the Company's flagship products, DOME, CnS, ODIN charges ("Services") of which ₹ 2,841.46 lacs is the variable fees derived from certain components (transaction fees, delivery charges, warehouse receipt transfer charges for trading, settlement & delivery activities) of revenue of NSEL and ₹ 86.14 lacs is for business support services derived from gross profit from merchandising activities of NSEL. The Company has paid the applicable taxes on the amount (including service tax, etc.) based on the Invoice towards services raised to NSEL.

SUPPLEMENTARY NOTES

to the Financial Statements (as amended) for the year ended March 31, 2013

As on March 31, 2013, total amount receivable from NSEL was ₹ 2,489.27 lacs, which has been realized subsequently in the financial year 2013-14 and, as on date, there is no amount outstanding against the same.

The above income was recognized as per the contractual terms on accrual basis and there was no uncertainty with respect to realizability of the aforesaid amount as on March 31, 2013 or on the date on which the Financial Statements were approved by the Board and, hence, the same is accounted as income.

As of date, there have been no claims by NSEL nor has any dispute been raised in connection with the amounts paid to the Company for the Services provided by the Company during the financial year 2012-13. In view of the above, no provision was considered necessary by the Management as on March 31, 2013 for the such Income from NSEL.

3. Contingent Liability relating to NSEL:

As on March 31, 2013, the exposure of the Company towards corporate guarantee given on behalf of NSEL was ₹ 1,000.00 lacs against which no amount was utilized by NSEL as on March 31, 2013. Further, the Company had issued a letter of comfort to a bank on behalf of NSEL for ₹ 200.00 lacs against which the Company has exposure of ₹ 131.25 lacs (net of fixed deposits placed by NSEL as margin money) towards bank guarantees issued by the bank.

The Company has so far not been called upon to honour its commitment by the bank and, in any event, considering the size of the balance sheet of the Company, an amount of ₹ 131.25 lacs is insignificant and not material. However, the amount in respect of the aforesaid corporate guarantee and letter of comfort have been included under relevant heads in note 28 to the Standalone Financial Statements as contingent liabilities.

4. Transactions with NSEL subsequent to March 31, 2013

(a) As on September 30, 2013, total amount receivables and outstanding from NSEL by the Company is ₹ 22,826.91 lacs, as detailed below:

(₹ lacs)

Nature	Amount
a Operating Revenue (including service tax)	1,324.03
b Rent Income	136.48
c Interest Income	179.53
d Reimbursement of expenses	103.81
e Loan to NSEL	21,083.06
TOTAL	**22,826.91**

Note: Subsequent to September 30, 2013, there have been no material transactions / movements in the outstanding.

(b) During the financial year 2013-14, the Company had provided additional corporate guarantee of ₹ 22,500.00 lacs on behalf of NSEL for availing banking facility in relation to procurement of cotton on behalf of National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED). In view of the recent developments, the bank invoked the guarantee on September 19, 2013 to the extent of outstanding balance of ₹ 3,143.25 lacs including interest thereon and debited the said amount from the Company's bank account and, accordingly, the Company has debited NSEL's account as loan.

(c) Further, in view of the recent developments of NSEL and to protect the interest of the large number of small investors who have to receive money from its defaulting members, NSEL had requested the Company to give a bridge loan, which request was accepted by the Company's Board of Directors as a goodwill gesture without admitting any liability on behalf of NSEL, a onetime bridge loan amounting to ₹ 17,939.81 lacs was given which NSEL will have to repay to the Company from the receipt of the amounts from defaulting members after paying to all the investors.

5. There are some writ petitions, Public Interest Litigation (PIL), civil suits filed against NSEL, wherein the Company has also been made a formal party in these writ petitions and civil suits, being the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. In addition, there is a First Information Report (FIR) registered against various parties, including the Company, with the Economic Offences Wing of the Mumbai Police. The Company is a separate and independent legal entity and, as such, has no responsibility or liability whatever towards the dues of or claims against NSEL.

The writ petitions and civil suits are primarily against the various defaulting members of NSEL, failing which the claim has been made against NSEL as guarantor and failing which against other parties including the Company. Therefore, at this stage, there are no direct ascertainable financial claims against the Company, and, hence, direct financial implications on the Company, if any, that may arise due to ultimate payment default on NSEL cannot be ascertained.

SUPPLEMENTARY NOTES

to the Financial Statements (as amended) for the year ended March 31, 2013

6. In view of the developments in NSEL, various lenders of External Commercial Borrowings (ECB)/ Foreign Currency Loan (FCL) raised concerns regarding on repayment of their loans and, after negotiations with the lenders, the Company has made part prepayment of ECB loan of USD 33.25 million during the month of September 2013 out of the total ECB loan of USD 110.0 million in compliance with the ECB guidelines. Similarly, FT Group Investments Pvt. Ltd (FTGIPL) Mauritius, a wholly owned subsidiary company, has also made part prepayment of USD 46 million during the month of September, 2013 and subsequent thereto, out of the total FCL of USD 115.0 million where the Company has given corporate guarantee on behalf of FTGIPL.

7. Financial Technologies Singapore Pte. Ltd (“FTSPL”), a wholly owned subsidiary of the Company, was incorporated in Singapore as per regulatory requirement of Monetary Authority of Singapore (“MAS”). FTSPL is the approved holding company of Singapore Mercantile Exchange Pte. Ltd (“SMX”) and Singapore Mercantile Exchange Clearing Corporation Pte. Ltd (“SMXCC”). Considering, SMX was making losses from year to year on the one hand and increasing interest burden on other hand, the Company decided to divest its entire stake in SMX & SMXCC. Accordingly, FTSPL & the Company entered into a share purchase agreement dated November 18, 2013 for sale of 100% of its equity ownership in Singapore Mercantile Exchange Pte. Ltd (SMX) and Singapore Mercantile Exchange Clearing Corporation Pte. Ltd (SMXCC) to ICE Singapore Holdings Pte. Ltd, an entity owned by the Intercontinental Exchange Group, Inc. (ICE) for an amount of USD 150.0 million. The transaction was approved by the Board of Directors of FTSPL and the Company, subject to certain customary closing conditions and approvals.

8. The Company has received a letter dated October 01, 2013 from Ministry of Corporate Affairs regarding a notice for Inspection u/s 209A of the Companies Act, 1956 and, accordingly the inspection commenced from October 03, 2013 at Chennai. The report is awaited by the Company.

9. The Forward Market Commission (FMC) has issued show cause notice dated 4 October 2013, directing the Company to reply within two weeks of the receipt of its communication, as to why the Company should not be declared as not ‘fit and proper’ to be a shareholder of Multi Commodity Exchange of India Ltd (“MCX”). The Company has filed its response to the FMC on October 31, 2013. The FMC had called to the Company for personal hearing which was held on November 12, 2013. The FMC, vide its letter dated November 13, 2013, has allowed the request made by the Company for cross examination of M/s Grant Thornton, Chartered Accountants, on their forensic audit report.

10. Upon inquiry by their respective regulatory authorities, Overseas Exchanges being subsidiaries of the Company, have submitted clarification/update on NSEL events with their respective regulatory authorities.

11. **Segment reporting:**

    With reference to note no. 34, regarding segment reporting in the Financial Statements, the Company has presented segmental information in its Consolidated Financial Statements for the year ended March 31, 2013 which have been approved by the then Board at their meeting held on May 30, 2013 and published on May 31, 2013 pursuant to the Listing Agreements. Since the Statutory Auditors of the Company, vide their letter dated September 23, 2013 interalia informed the Company that as per SA-560 issued by the ICAI, the audit report dated May 30, 2013 issued by them on the Consolidated Financial Statements of the Company for the year ended March 31, 2013 should no longer be relied upon, and the amended Consolidated Financial Statements are yet to be finalised in the absence of the Audited Consolidated Financial Statements of NSEL for the year ended March 31, 2013, therefore on a conservative basis, the Company has provided segment information in respect of the Standalone Financial Statements for the year ended March 31, 2013 hereunder.

    The Company has identified Business segments as its primary segment and Geographical segments as its secondary segment taking into account the nature of services, differing risks and returns, the organizational structure and the internal reporting system of the Company.

    Revenues and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment or those which can be reasonably allocated to the segment. Depreciation and other expenses which relate to the Company as a whole and which cannot be reasonably allocated to any segment have been disclosed as unallocated expenses.

SUPPLEMENTARY NOTES

to the Financial Statements (as amended) for the year ended March 31, 2013

a) Primary segment: Business segments

(₹ lacs)

Particulars	STP Technologies/ Solutions	Others	Total
Segment revenue (External)	41,794.09 (40,164.68)	3,296.01 (2,390.13)	45,090.10 (42,554.81)
Net Sales/Income from operations	41,794.09 (40,164.68)	3,296.01 (2,390.13)	45,090.10 (42,554.81)
Segment result	32,186.23 (32,069.58)	1,930.50 (1,002.80)	34,116.73 (33,072.38)
Add: Unallocable income			16,458.83 (31,046.30)
Less: Unallocable expenses			10,237.70 (10,086.35)
Less: Finance costs			4,283.74 (3,044.23)
Add: Interest Income			4,193.16 (1,957.24)
Profit before tax			40,247.28 (52,945.34)
Less: Provision for taxation			7,959.22 (5,142.41)
Profit after tax			32,288.06 (47,802.93)

Notes:

1. Due to diversified nature of business, significant portion of assets are interchangeably used between segments and the Management believes that its segregation will not be meaningful.
2. The reportable segments are described as follows:
   a) STP Technologies/solutions segment represents straight through processing solutions and includes an integrated mix of various products, projects and services incidental thereto.
   b) The businesses, which are not reportable segments during the year, have been grouped under the "Others" segment. This mainly represents trading activities, process management services, shared business support services and IT infrastructure sharing.
3. Previous year figures are given in brackets and are regrouped to confirm to current year's classification.

b) Secondary Segment: Geographical segments:

The Company has two geographical segments, viz., within India and outside India. Significant portion of segment operational assets are in India. Revenue from geographical segments based on domicile of the customers is outlined below:

(₹ lacs)

Particulars	Current Year	Previous Year
Net Revenue/ Income from Operations		
Within India	36,478.20	25,511.66
Outside India	8,611.90	17,043.15
TOTAL	**45,090.10**	**42,554.81**

SUPPLEMENTARY NOTES

to the Financial Statements (as amended) for the year ended March 31, 2013

12. Development at NSEL: NSEL, a subsidiary company of the Company which is a distinct and separate legal entity and has an independent professional operational team, informed the Company of the following events:

    I. NSEL received a Show Cause Notice dated 27th April, 2012 from the Ministry of Consumer Affairs alleging that:

        (a) NSEL is running contracts with more than 11 days delivery period thereby they are conducting non-transferable specific delivery contracts not permissible under the notification and are violation of the provisions of Forward Contracts (Regulation) Act, 1952;

        (b) The Exchange allows trading on the Exchange platform without verifying whether the seller member has the stocks with him or not. Therefore, NSEL has no stock check facility which validates the members position;

        (c) Therefore, NSEL has violated the terms of the notification S.O No. 906 (E) dated 5th June, 2007 (Notification).

    II. NSEL has replied to the said show cause notice vide its letter dated May 23, 2012 wherein it has denied committing violation of any law or terms of the Notification. NSEL has provided detailed justification as to how the contracts that are introduced on the Exchange are not in violation of the said notification and how there are no short sales happening on the Exchange platform of NSEL. The said letter was followed up with the Ministry with further correspondence dated August 11, 2012, July 08, 2013 and July 12, 2013.

    III. NSEL has made representations to FMC, Ministry of Consumer Affairs and Warehousing Development and Regulatory Authority to formally recognize NSEL as an entity under their regulation and grant appropriate registration and recognition under the relevant law. However, no decision has been till date taken on any of the representations and the application for recognition is also pending.

    IV. Ministry of Consumer Affairs vide its letter dated July 12, 2013 has directed NSEL to submit undertaking to the effect that:

        (a) No further/ fresh contracts shall be launched until further instructions from concerned authority.

        (b) All the existing contracts will be settled on the due dates.

    V. NSEL vide a letter dated July 22, 2013 has informed the Ministry of Consumer Affairs that, as a bonafide and compliant corporate, with a view to dispel the ill-founded apprehensions of the Ministry of Consumer Affairs which are based on the misinterpretation of law and facts, NSEL did the following with immediate effect.

        (a) Reduced delivery, payment and settlement period of all contracts traded on the Exchange to less than 11 days (T+10 or less), wherever settlement schedule was extending beyond 11 days;

        (b) All the trades that take place in one day forward contracts (excepting demat delivery based e-series contracts) to be settled "trade for trade"

        NSEL had further given the following undertaking to the Government:

        (a) Not to launch any further/ fresh contracts in new commodities and/ or at new places till further instructions from concerned authority.

        (b) to settle all the contracts traded on the Exchange on their respective 'settlement due dates', as per contract specification notified by the Exchange.

    VI. Due to the directions given by the MCA, there was loss of trading interest in NSEL due to uncertainties leading to trade in-equilibrium. Thereafter, NSEL issued a circular dated July 31, 2013 informing its members that trading in all contracts, except e series stands suspended until further notice and the delivery and settlement of all pending contracts to be merged which shall be settled by way of delivery and payment after expiry of 15 days from the elapse of 15 days from the date of circular.

    VII. Ministry of Consumer Affairs, vide its notification dated August 6, 2013, in partial modification of the Gazette notification dated June 5, 2007, imposed additional conditions on NSEL to protect the interests of commodity market participants stating that no trading in the existing e-series contracts, and no further or fresh one day forward contracts in any commodity shall be undertaken by NSEL without prior approval of the Central Government and that settlement of all outstanding one day forward contracts at NSEL shall be done under the supervision of the FMC.

    VIII. The Management of NSEL had never brought to the notice of any adverse eventuality to the Board of NSEL except for the first time on July 30, 2013 during the Board Meeting of NSEL. NSEL's representatives were in touch with the FMC and were appraising it of the situation about the various issues on NSEL.

    IX. On the direction of the FMC, NSEL appointed Grant Thornton LLP, a forensic auditor. Prima facie it appears that a few officials of NSEL in connivance with the defaulting members abused the system of NSEL. NSEL has commenced legal action including criminal proceedings against all those who had indulged in such malpractices.

    X. The Board of NSEL has also initiated the following steps :

        - The members who have defaulted in pay-in obligations have been declared as defaulters;
        - Met with all the borrowers and obtained confirmations from them regarding their outstanding obligations. These members subsequently attended joint meeting with the FMC and other interested stakeholders and have admitted their liability;
        - Appointed SGS and Group 4 Securitas to survey the stocks at various warehouses;
        - Appointed M/s Sharp & Tannan Associates, an audit and consultancy firm, for conducting interim audit;

SUPPLEMENTARY NOTES

to the Financial Statements (as amended) for the year ended March 31, 2013

- Appointed officer on special duty and a crisis management team to assist the Management of NSEL;
- Terminated Mr. Anjani Sinha from the post of Managing Director (MD) & Chief Executive Officer (CEO) and other senior officials who are prima facie responsible for the situation;
- Finalized & announced pay-out schedule;
- Appointed Mr. Saji Cherian as its new MD & CEO with effect from September 16, 2013;
- Initiated actions with the Economic Offences Wing ("EOW") (Investigation agency) against certain defaulters and its officers and employees who have conspired with one other and committed offences against the NSEL.

XI. NSEL auditors have issued letters on September 21, 2013 informing that the audited Financial Statements and audit reports of NSEL & IBMA are no longer to be relied upon.

XII. NSEL availed a bridge loan of ₹ 179.4 Crores from the Company and paid small investors in full whose dues were upto ₹ 2 lakhs and 50% of the amount to those, whose dues were between ₹ 2 lakhs and ₹ 10 lakhs.

XIII. NSEL has initiated various recovery proceedings (including civil & criminal) against the defaulting members to recover the outstanding amounts from them. In this regard, one of the defaulting members has entered into the settlement agreement towards its outstanding amount with NSEL confirming that the payment will be made over a period of 12 months from the date of settlement. NSEL is in discussion with all the other defaulting members to settle their outstanding dues.

XIV. All the documents, papers, correspondence etc. with regards to NSEL matter were provided to the Statutory Auditors of the Company.

XV. EOW has registered First Information Report on September 30, 2013 against directors and key management personel of NSEL, the Company, Borrower/Trading members of NSEL, some of the brokers of NSEL and others and EOW carried out the search at the registered office of NSEL, the residence of directors of NSEL, key personnel of NSEL, and at the residence of few directors of the Company. EOW also issued summons to NSEL, its Directors, Borrowers and a few Directors of the Company. Accordingly, Directors of NSEL & few directors of the Company had appeared / appearing before EOW in connection with the First Information Report on default of NSEL.

For and on behalf of the Board

Jignesh Shah
Chairman and Managing Director

Venkat R Chary
Director

Devendra Agrawal
Chief Financial Officer

Hariraj Chouhan
V. P. and Company Secretary

Place : Mumbai
Date : November 29, 2013

Statement regarding subsidiary companies as required under section 212 of the Companies Act, 1956 (except NSEL & its subsidiaries):

(₹ lacs)

Sr. No.	Particulars	Reporting Currency	Exchange Rate as at March 31, 2013	Capital	Reserves	Total Assets (including investment in subsidiaries)	Total Liabilities	Details of investment (except in case of investment in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed dividend
1	IBS Forex Limited	INR		700.00	(126.89)	575.70	2.59	536.83	-	8.90	-	8.90	-
2	Riskraft Consulting Limited	INR		700.00	(628.76)	88.70	17.46	64.74	16.50	2.29	-	2.29	-
3	atom technologies limited	INR		1,716.22	(1,224.81)	1,231.01	739.60	101.50	1,090.36	(1,099.75)	-	(1,099.75)	-
4	National Bulk Handling Corporation Limited	INR		8,200.00	4,016.15	41,596.16	29,380.01	3.80	15,628.79	1,917.25	467.14	1,450.11	-
5	Global Payment Networks Limited	INR		100.00	14.80	115.08	0.28	109.94	-	7.23	-	7.23	-
6	Financial Technologies Communications Limited	INR		5.00	250.27	364.74	109.47	284.04	617.41	190.00	63.31	126.69	-
7	FT Knowledge Management Company Limited	INR		375.00	18.09	694.63	301.54	368.09	997.01	239.41	40.58	198.83	-
8	Tickerplant Limited	INR		414.25	(1,032.13)	1,278.52	1,896.40	-	2,155.70	(644.66)	-	(644.66)	-
9	Boursa India Limited	INR		5.00	(1.52)	3.70	0.22	-	-	(0.25)	-	(0.25)	-
10	Takshashila Academia of Economic Research Limited	INR		5.00	(126.98)	17.77	139.76	-	7.00	(13.15)	-	(13.15)	-
11	Apian Finance & Investment Limited	INR		431.44	284.91	4,228.16	3,511.81	628.84	338.38	119.29	36.85	82.44	-
12	Trans-Global Credit and Finance Limited	INR		5.00	(5.59)	1.14	1.73	-	-	(0.39)	-	(0.39)	-
13	Credit Market Services Limited	INR		525.00	(526.52)	17.87	19.38	-	-	(2.35)	-	(2.35)	-
14	FT Projects Limited	INR		5.00	(4.57)	2,500.86	2,500.43	-	-	(2.86)	-	(2.86)	-
15	Knowledge Assets Private Limited	USD	54.3893	5.44	(26.98)	2.69	24.23	-	-	(4.21)	-	(4.21)	-
16	Financial Technologies Singapore Pte.Ltd.	USD	54.3893	44,786.02	(401.01)	54,652.49	10,267.48	-	-	(373.32)	-	(373.32)	-
17	Singapore Mercantile Exchange Pte.Ltd.	USD	54.3893	53,138.35	(29,249.62)	24,175.93	287.20	-	1,857.83	(8,626.83)	1,984.33	(6,642.50)	-
18	Singapore Mercantile Exchange Clearing Corporation Pte. Ltd.	USD	54.3893	9,479.43	(5,429.00)	4,584.18	533.75	-	57.81	(2,869.47)	493.51	(2,375.96)	-
19	ICX Platform (Pty) Limited	ZAR	6.393	0.01	(141.89)	104.01	245.90	44.86	90.24	97.70	-	97.70	-
20	Financial Technologies Projects Private Limited	MUR	1.8225	0.09	(1.51)					(0.46)	-	(0.46)	-
21	FT Group Investments Pvt. Ltd.	USD	54.3893	8,191.03	(9,026.32)	0.06	1.48	-	-	(6,303.77)	-	(6,303.77)	-
22	Financial Technologies Middle East DMCC	AED	14.8843	9,823.64	(3,899.80)	99,363.95	100,199.24	4,563.03	617.89	(432.32)	-	(432.32)	-
23	Capricorn Fin-Tech (Pvt.) Ltd.	AED	14.8843	0.89	(3.43)	6,622.39	698.55	6,276.80	259.15	(0.11)	-	(0.11)	-
24	Global Board of Trade Limited	USD	54.3893	28,282.44	(17,612.33)	0.75	3.29	-	-	(8,247.52)	1,998.31	(6,249.21)	-
25	GBOT Clear Ltd.#	USD	54.3893	5.61	(4.64)	16,851.78	6,181.67	-	60.90	(4.64)	-	(4.64)	-
26	Bahrain Financial Exchange BSC (c)*	BHD	147.037	27,642.96	(22,782.13)	5.61	4.64	-	-	(10,016.85)	-	(10,016.85)	-
27	Bourse Africa Limited	USD	54.3893	19,047.13	(4,440.03)	15,717.44	10,856.62	-	47.82	(1,327.24)	-	(1,327.24)	-
28	Bourse Africa (Kenya) Limited #	USD	54.3893	0.68	-	17,032.16	2,425.05	-	-	-	-	-	-
29	Bourse Tanzania Limited #	USD	54.3893	0.04	-	0.68	-	-	-	-	-	-	-
30	Bourse Zambia Limited #	USD	54.3893	0.54	-	0.04	-	-	-	-	-	-	-
31	Bourse Exchange Nigeria Limited #	USD	54.3893	35.90	-	0.54	-	-	-	-	-	-	-
32	Bourse Uganda Limited #	USD	54.3893	2.72	-	35.90	-	-	-	-	-	-	-
33	Bourse South Africa Limited#	USD	54.3893	0.03	-	2.72	-	-	-	-	-	-	-
34	ICX Africa Limited# ^	USD	54.3893	-	-	0.03	-	-	-	-	-	-	-

* Figures disclosed based on the Consolidated Financial Statements of Bahrain Financial Exchange BSC (c) and its subsidiary BFX Clearing & Depository Corporation BSC(c)

\# Figures are based on unaudited financial statements.

^ Wholly owned subsidiary of Bourse Africa Ltd. incorporated in Botswana during the year with USD 0.14 (BWP 1) as its Stated Capital, no separate financials prepared.

Note: **1.** Indian rupee equivalents of the figures in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2013.

2. The statement does not contain the figures of National Spot Exchange Ltd. (NSEL) and its subsidiaries namely Indian Bullion Market Association Ltd., Westernghats Agro Growers Company Ltd., Farmer Agricultural Integrated Development Alliance Ltd., due to the developments at NSEL, the allegations made/being made and ongoing investigations by various authorities and on the basis of the communication dated September 20, 2013 received from the Management of NSEL, the Statutory Auditors of NSEL and IBMA issued letter on September 21, 2013 stating that the Audit Report dated May 17, 2013 and May 16, 2013 of NSEL and IBMA respectively, should no longer be relied upon. Subsequently, the Statutory Auditors of the Company, vide their letter dated September 23, 2013 informed the Company that as per Standard on Auditing (SA) 560 – Subsequent Events, issued by the Institute of Chartered Accountants of India, the Audit Report dated May 30, 2013 on Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2013 should no longer be relied upon. Further, the Accounts of NSEL are yet to be finalized, hence the Company is unable to attach the Consolidated Financial Statements and therefore the information circulated earlier under Section 212 of the Companies Act, 1956 for the particular subsidiaries mentioned hereinabove stands deleted.

SUBSIDIARY COMPANIES REPORT

DIRECTORS' REPORT

To,
The Members,
Your Directors present the 12th Annual Report of the Company with the Audited Statement of Accounts for the year ended March 31, 2013.

1. **FINANCIAL RESULTS AND OPERATIONS:**
The summary of financial results is as under:

(in INR)

Particulars	F.Y. 12-13	F.Y. 11-12
Total Income	51,33,071	17,50,354
Total Expenditure	42,43,206	16,31,034
Profit/Loss before tax and depreciation	8,89,865	1,19,320
Provision for Tax (including FBT)	-	29,625
Profit/(Loss) for the year	8,89,865	89,695
Balance brought forward	(1,35,79,328)	(1,36,69,022)
Balance carried to Balance Sheet	(1,26,89,463)	(1,35,79,328)

2. **BUSINESS REVIEW AND OUTLOOK:**
The year has shown a marginal net profit of Rs. 8,89,865/- as compared to Rs. 89,695/- during previous year, with all the income coming from investments. There was no operational revenue since your company's services were yet to be re-launched during the year. Significant increase in the income of your Company is on account of gain on sale of current investments during the year. Your Company, on a thorough review of its product strategy and based on feedback from the market, has now restructured its product offering and recently completed the front-end integration of its product with the other related product of one of the group companies. The enhanced integrated product is now about to be re-launched in the market in the very near future and currently pre-launch marketing efforts are underway. Once the services are re-launched, the Company is poised to resume its revenue generation in the coming years.

3. **DIVIDEND**
Since the Company has carry forward losses, your Directors do not recommend any dividend.

4. **TRANSFER TO RESERVES**
Since the Company has net loss during the year under review, no amount was transferred to Statutory Reserves for the year under review.

5. **FIXED DEPOSITS:**
The Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

6. **SHARE CAPITAL AND STATUS OF THE COMPANY:**
There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

7. **DIRECTORS**
In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Shreekant Javalgekar, Director of the Company, retires at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The Board recommends the appointment of Mr. Shreekant Javalgekar in the ensuing Annual General Meeting.
The other Directors continue to be on the Board of your Company.

8. **AUDITORS**
The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.
Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

9. **AUDITORS' REPORT**
The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

10. **PARTICULARS OF EMPLOYEES**
None of the employees of your Company are in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975; hence no such particulars are annexed.

11. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**
The Company is committed for adoption of various energy savings methods for Conservation of energy. The Company endeavors to adopt

DIRECTORS' REPORT

modern technology to carry on its operations. The Company also endeavors to carry out In-House R & D activities.

During the period under review there was no Foreign Exchange earnings and outgo.

Your Company has not exported any product during the year under review and does not foresee any future export activity, in case the opportunity arises the Board shall take the necessary steps in this regard.

12. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2012-13 and of the profit of the Company for that period;
c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d. that the Annual Accounts of the Company have been prepared on a going concern basis.

13. ACKNOWLEDGEMENTS

Your Directors wish to thank FEDAI, Reserve Bank of India, commercial banks as well as the shareholders of the company for their co-operation and support. The Directors also place on record their appreciation of the services rendered by all the employees and their contribution towards the Company.

For and on behalf of the Board of Directors

Shreekant Javalgekar	**Devendra Agrawal**
Director	Director

Place: Mumbai
Date: 27.05.2013

ADDENDUM TO THE DIRECTORS' REPORT

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 27th May 2013 shall now be read as under:

8. AUDITORS

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 27th May 2013.

For and on behalf of the Board of Directors

Dewang Neralla	**Devendra Agrawal**
Director	Director

Place: Mumbai
Date: 27.08.2013

INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF IBS FOREX LIMITED

REPORT ON THE FINANCIAL STATEMENT
We have audited the accompanying financial statements of IBS FOREX LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION
In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:
a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

KETAN M. SHAH
Partner
Membership No.: 049703
Place: Mumbai
Date: 27.05.2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **IBS FOREX LIMITED** on the accounts of the company for the year ended 31st March, 2013.

(i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The company has not disposed off any substantial part of fixed assets during the year and accordingly going concern is not affected.

(ii) The Company is a service company; accordingly it does not hold any physical inventories. Hence, Paragraph 4 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted/taken any loan, secured or unsecured to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transaction carried out during the year , pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956 .Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company.

(vi) The company has not accepted any deposits from the public during the year and therefore, the provisions of Paragraph 4 (vi) of the Order are not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209(1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Sales Tax, Service-tax and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service-tax and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax and Cess were outstanding, as at March 31, 2013.

(x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) The Company did not have any outstanding dues to any financial institutions, banks or debenture holders during the year.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund / societies.

(xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments. The Company has invested surplus funds in mutual funds. According to the information and explanations given to us proper records have been maintained of the transactions and timely entries have been made therein. The mutual funds have been held by the company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short term basis used for long term investments

(xviii) The company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act during the year; hence Paragraph 4 (xviii) of the Order is not applicable to the Company.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of the year.

For **MUKESH P. SHAH & CO.**

Chartered Accountants
Firm Registration No: 121719W

KETAN M. SHAH
Partner
Membership No.: 049703
Place: Mumbai
Date: 27.05.2013

BALANCE SHEET

as at 31st March 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
Equities and liabilities			
1. Shareholders' funds			
(a) Share capital	2	70,000,000	70,000,000
(b) Reserve and surplus	3	(12,689,463)	(13,579,328)
		57,310,537	**56,420,672**
2. Current liabilities			
(a) Trade payables	4	109,146	35,588
(b) Other current liabilities	5	37,853	13,152
(c) Short-term provisions	6	112,800	20,333
		259,799	**69,073**
		57,570,336	**56,489,745**
Assets			
1. Non current assets			
(a) Tangible Fixed assets	7	9,983	42,037
(b) Long-term loans and advances	8	186,339	1,037,637
(c) Other non-current assets	9	3,053,788	-
		3,250,110	**1,079,674**
2. Current assets			
(a) Current investments	10	53,682,983	51,483,114
(b) Cash and bank balances	11	268,065	3,229,634
(c) Short-term loans and advances	12	369,178	336,577
(d) Other current assets	13	-	360,746
		54,320,226	**55,410,071**
		57,570,336	**56,489,745**
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date

For Mukesh P. Shah & Co.
Chartered Accountants

Ketan M. Shah
Partner
Membership No.: 049703

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 27.05.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
Continuing operation			
(I) Revenue			
Other income	14	5,133,071	1,750,354
Total revenue (I)		**5,133,071**	**1,750,354**
(II) Expenses			
Employee benefit expenses	15	2,213,319	1,453,262
Other expenses	16	2,013,915	142,722
Total expenses (II)		**4,227,234**	**1,595,984**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		905,837	154,370
Depreciation and amortization	17	15,972	35,050
(IV) Profit before tax		**889,865**	**119,320**
Tax expense			
- Current tax		-	-
- Short provision of tax for earlier years		-	29,625
(V) 'Total tax expensed from continuing operation		-	29,625
(VI) Profit for the year		**889,865**	**89,695**
(VII) Earnings per share	19		
Basic		0.13	0.01
Diluted		0.13	0.01
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date

For Mukesh P. Shah & Co.
Chartered Accountants

Ketan M. Shah
Partner
Membership No.: 049703

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 27.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

		Year Ended 31.03.2013		Year Ended 31.03.2012	
A.	**Cash flow from operating activities**				
	Net profit before tax		**889,865**		**119,320**
	Adjustments for:				
	Depreciation	15,972		35,050	
	Provision for diminition in value of current investments	10,114			
	Interest income	(214,490)		(192,766)	
	Diminution in value of investments			-	
	Profit on sale of fixed assets/ written off	(1,798)		(41,594)	
	Net gain on sale of current investments	(4,020,606)		-	
	Dividend from investments	(894,177)		(1,492,193)	
			(5,104,985)		(1,691,503)
	Operating loss before working capital changes .		**(4,215,120)**		**(1,572,183)**
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:				
	Short-term loans and advances	(17,360)		1,301	
	Long-term loans and advances	851,298		(10,413)	
	Other current assets			(173,487)	
	Adjustments for increase/(decrease) in operating liabilities:				
	Trade payables	73,557		1	
	Other current liabilities	24,701		(13,589)	
	Short-term provisions	92,467		462	
			1,024,662		(195,726)
	Cash from/(used in) operations		**(3,190,458)**		**(1,767,910)**
	Less: Taxes paid		(15,241)		169,752
	Net cash from/(used in) operating activities		**(3,205,698)**		**(1,598,157)**
B.	**Cash flow from investing activities**				
	Sale of fixed assets		17,880		55,855
	Purchase of investments		(64,765,957)		(91,571,302)
	Proceeds from sale of investments		66,576,580		90,474,386
	Proceeds of deposits matured		2,500,000		-
	Investment in other non current investments		(3,015,702)		-
	Dividend from investments		894,177		1,492,193
	Interest income		537,150		192,766
	Net cash (used in) / from investing activities		**2,744,129**		**643,898**
			-		-
C.	**Cash flow from financing activities**				
	Net cash from financing activities		-		-
	Net cash flows during the year		(461,569)		(954,259)
	Net decrease in cash and cash equivalents		(461,569)		(954,259)
	Cash and cash equivalents (opening balance)		729,634		1,683,893
	Cash and cash equivalents (closing balance)		268,065		729,634

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (Refer note 11) with cash and cash equivalents is as follows:

(in ₹)

	31st March 2013	31st March 2012
Cash and cheques on hand	-	-
Bank Balances:		
- in current account	268,065	729,634
	268,065	729,634
- In Deposit Accounts (maturing more than 3 months and less than 12 months)	-	2,500,000
Cash and cash equivalents	**268,065**	**3,229,634**

CASH FLOW STATEMENT

for the year ended 31st March, 2013

2. Purchase of fixed Assets as stated during the year are considered as part of investing activities.
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) " Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
4. Fixed deposits with a bank with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.
5. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI.

As per our attached report of even date

For Mukesh P. Shah & Co.
Chartered Accountants

Ketan M. Shah
Partner
Membership No.: 049703

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 27.05.2013

NOTES

to financial statements for the year ended 31st March, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Depreciation on tangible assets has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation in respect of assets costing less than ₹5,000 each is fully depreciated in the year of capitalisation

Depreciation on assets sold, discarded or demolished, if any during the period is being provided at their rate up to date in which such assets are sold discarded or demolished.

Intangible assets are amortised over their estimated useful life as follows

- Patent & Trade Marks -8 years

1.5 Revenue recognition

Revenue is recognized when no significant uncertainty as to determination or realization exists.

Transaction fees are charged to users based on the volume of transactions entered into by the users and are accrued when orders placed by users are matched and confirmed.

1.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.7 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.8 Intangible assets

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

1.9 Investments

Investments are classified as current investments and are carried at the lower of cost and quoted/fair value. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.10. Employee benefits

Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and performance incentives.

1.11 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.12 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are

NOTES

to financial statements for the year ended 31st March, 2013

capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.13 Impairment of assets

'The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of historical cost or recoverable amount.

1.14 Provisions and contingencies

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

(in ₹)

2. SHARE CAPITAL	31st March 2013		31st March 2012	
	Nos.	₹	Nos.	₹
Authorised:				
Equity shares of ₹10/- each	7,000,000	70,000,000	7,000,000	70,000,000
	7,000,000	**70,000,000**	**7,000,000**	**70,000,000**
Issued, subscribed & paid up:				
Equity shares of ₹10/- each fully paid-up	7,000,000	70,000,000	7,000,000	70,000,000
	7,000,000	**70,000,000**	**7,000,000**	**70,000,000**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

	31st March 2013		31st March 2012	
	Nos.	₹	Nos.	₹
At the beginning of the year	7,00,0000	70,000,000	7,00,0000	70,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**7,00,0000**	**70,000,000**	7,00,0000	**70,000,000**

The company has only one class of equity shares having par value of ₹10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding

b) Shares held by holding company

	31st March 2013		31st March 2012	
	Nos.	₹	Nos	₹
Financial Technologies (India) Ltd.	**6,040,000**	**60,400,000**	6,040,000	60,400,000

c) Details of the shareholders holding more than 5% of the shares in the company

	31st March 2013		31st March 2012	
	Nos.	% holding	Nos	% holding
Financial Technologies (India) Ltd.	**6,040,000**	**86.29**	6,040,000	86.29

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

3. RESERVES AND SURPLUS	31st March 2013	31st March 2012
Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	(13,579,328)	(13,669,022)
Add: Profit for the year	889,865	89,694
Net deficit in the statement of profit and loss	**(12,689,463)**	**(13,579,328)**
4. TRADE PAYABLES		
Trade payables	109,146	35,588
(refer note 23 for details of dues to micro and small enterprises)		
	109,146	**35,588**
5. OTHER CURRENT LIABILITIES		
Statutory payable		
TDS payable	37,253	13,152
Statutory-other (PT)	600	-
	37,853	**13,152**
6. SHORT-TERM PROVISIONS		
Provision for leave encashment	112,800	20,333
	112,800	**20,333**

NOTES

to financial statements for the year ended 31st March, 2013

7. Fixed assets

(in ₹)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	**Cost as at 01.04.2012**	**Additions**	**Deletion/ Adjustments**	**Cost as at 31.03.2013**	**Upto 31.03.2012**	**For the Year**	**Deletions/ Adjustments**	**Upto 31.03.2013**	**As at 31.03.2013**	**As at 31.03.2012**
Tangible assets										
Computer hardware	3,276,722	-	3,150,324	126,398	3,234,684	15,972	3,134,242	116,414	9,983	42,037
Total	**3,276,722**	**-**	**3,150,324**	**126,398**	**3,234,684**	**15,972**	**3,134,242**	**116,414**	**9,983**	**42,037**
Previous year	**3,889,620**	**-**	**612,899**	**3,276,721**	**3,798,271**	**35,050**	**598,637**	**3,234,684**	**42,037**	**91,348**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

8. LONG-TERM LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)	31st March 2013	31st March 2012
Security deposits		
Others	1,500	1,500
	1,500	**1,500**
Advances recoverable in cash or kind		
unsecured, considered good	-	13,000
	-	13,000
Other loans and advances		
Prepaid expenses	-	841,974
Balances with statutory/Government Authorities-Deposits	184,839	181,163
	184,839	**1,023,137**
	186,339	**1,037,637**
9. OTHER NON-CURRENT ASSETS		
Interest accrued on Fixed deposits	38,086	-
Deposits with original maturities of more than 12 months (Pledged with FEDAI)	3,015,702	-
	3,053,788	**-**
10. CURRENT INVESTMENT		
Non-trade (valued at lower of cost and fair value) Unquoted		
- in mutual funds		
6,888.6320 (Previous Year 4,646.398) Units of ₹1000/- Canara Robeco Treasury advantage IP Daily Dividend Reinvestment	8,546,795	5,764,833
504,017.26 (Previous Year 562,290.2619) Units of ₹.10/- Religare Credit Opportunities Fund - Institutional Monthly Dividend	5,146,302	5,718,281
2,696,908 (Previous Year NIL) Units of ₹10/- Religare Short Term Fund Growth	40,000,000	-
NIL (Previous Year 4,000,000) Units of ₹10/- Religare Fixed Maturity Series VIII Plan A (368 Days) Growth Plan	-	40,000,000
	53,693,097	**51,483,114**
Less: Provision for diminution in value of current investments	**(10,114)**	**-**
	53,682,983	**51,483,114**
Note:		
1) Aggregate value of unquoted investments	**53,682,983**	**51,483,114**
11. CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	-	
Bank balances:		
With scheduled banks:		
- in current account	268,065	729,634
	268,065	**729,634**
Other bank balance		
Deposits with maturing within 12 months (Pledged with FEDAI)	-	2,500,000
	-	2,500,000
	268,065	**3,229,634**
12. SHORT-TERM LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)		
Advances recoverable in cash or kind or for value to be received		
Unsecured, Considered good	12,800	-
	12,800	**-**
Other loan and advances		
Prepaid expenses	5,321	-
Loans to employees	-	761
Tax deducted at source	351,057	335,816
	356,378	**336,577**
	369,178	**336,577**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

13. OTHER CURRENT ASSETS	31st March 2013	31st March 2012
Interest accrued on fixed deposits	-	360,746
	-	**360,746**
14. OTHER INCOME		
Dividend from:		
- Current investments	894,177	1,492,193
Interest income from:		
- Bank deposit accounts	214,490	192,766
- Others	-	20,798
Profit on sale of fixed assets (net)	1,798	41,594
Gain on sale of current investments (net)	4,020,606	-
Miscellaneous income	2,000	3,003
	5,133,071	**1,750,354**
15. EMPLOYEE BENEFIT EXPENSES		
Salaries and bonus (net of recovery)	2,207,161	1,453,262
Staff welfare expenses	6,158	-
	2,213,319	**1,453,262**
16. OTHER EXPENSES		
Electricity charges	78,921	-
Payment to auditor (refer details below)	42,010	74,500
Rent	678,000	-
Repairs and maintenance	47,191	22,850
Travelling and conveyance	29,868	10,339
Communication expenses	11,803	21,183
Insurance expenses	1,251	2,063
ROC fees expenses	4,082	4,590
Office expenses	68,052	22
Sundry Balances Written Off	6,208	-
Provision for diminition in value of current investments	10,114	-
Recruitment Charges	61,722	-
Subscription & membership	5,000	-
Networking Charges	841,974	-
Miscellaneous expenses*	127,719	7,175
*(includes printing and stationery, Security Charges, books and periodicals, bank charges etc.)		
	2,013,915	**142,722**
Details of payment to auditor		
As auditor:		
Audit fee	25,000	25,000
In other capacity		
Taxation matters	16,500	44,500
other services	510	5,000
	42,010	**74,500**
17. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on tangible assets	15,972	**34,427**
Amortization of intangible assets	-	**623**
	15,972	**35,050**

18. RELATED PARTY DISCLOSERS

A) Names of related parties and related party relationship

- **i) Company whose control exists** (Holding company) : Financial Technologies (India) Limited
- **ii) Fellow subsidiaries** (with whom transactions are carried out) : Riskraft Limited
- **iii) Associates of the holding company (where control exists)** (with whom transactions are carried out) : Multi Commodity Exchange Of India Ltd.
- **iv) Key management personnel (KMP)** : Mr. Ganesh Rao

NOTES

forming part of the financial statements for the Year ended 31st March, 2013

B) Related parties transactions:

(in ₹)

	HOLDING COMPANY		FELLOW SUBSIDIARIES		ASSOCIATE COMPANY OF HOLDING CO. (where control exists)		KEY MANAGEMENT PERSONNEL	
NATURE OF TRANSACTIONS	**31st March 2013**	**31st March 2012**	**31st March 2013**	**31st March 2012**	**31st March 2013**	**31st March 2012**	**31st March 2013**	**31st March 2012**
Salary and allowances	-	-	-	-	-	-	1,200,000	1,200,000
Sale/purchase of goods, services and assets								
Rent and amenities charged by	678,000	-	-	-	-	-	-	-
Other reimbursement of expenses								
- Charged by them	214,531	-	-	2,046	-	14	-	-
Closing balance								
- Debit	1,362	-	-	-	-	-	-	-

Related party relationships are as identified by the company and relied upon by the auditor

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

19. EARNINGS PER SHARE (EPS)	31st March 2013	31st March 2012
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net profit after tax for calculation of basic EPS	889,865	89,695
Weighted average number of equity shares basic and diluted (nos.)	7,000,000	7,000,000
Basic and diluted earnings per share	0.13	0.01
Nominal value of equity share	10/-	10/-

20. SEGMENT INFORMATION

The company considers business segment (business of facilitating trading in foreign exchange and incidental activities thereto) as its primary segment considering the risks and rewards of the services offered, nature of services, management structure and system of financial reporting. In the opinion of the management, the company has only one reportable business segment, the results of which are disclosed in the financial statements.

	31st March 2013	31st March 2012
21. CAPITAL AND OTHER COMMITMENTS		
a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	-	-
22. CONTINGENT LIABILITIES		
Contingent liabilities not provided for	-	-
23. DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	-
Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006		

24. The company has accumulated losses as at 31st March 2013. The company has plans to achieve higher trade volume which would improve the revenue, resulting into consequential increase in profitability and networth. Accordingly, the accounts have been prepared on going concern basis which is dependent upon future growth of business and profitability.

25. No provision for Income Tax is required to be made in view of the exempt nature of income and deductions available under the provisions of Income Tax Act, 1961

26. Figures for the previous year have been regrouped / reclassified, wherever necessary.

For and on behalf of the Board.

Shreekant Javalgekar
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 27.05.2013

DIRECTORS' REPORT

To,

The Members,

Your Directors present the Eighth Annual Report of your Company along with the Audited Statement of Accounts for the year ended March 31, 2013.

1. **FINANCIAL RESULTS AND OPERATIONS:**

(In ₹)

Particulars	F.Y. 2012-13	F.Y. 2011-12
Total Income	21,42,767	5,90,302
Total Expenditure	19,13,858	6,29,261
Profit/(Loss) before Tax	2,28,909	(38,959)
Excess provision for Tax for earlier year	-	3,60,956
Profit after Tax	2,28,909	3,21,997
Balance carried to Balance Sheet	(6,28,75,908)	(6,31,04,817)

During the year under review, the total revenue of your Company was ₹ 21,42,767/- as compared to ₹ 5,90,302/- during the previous year.

2. **DIVIDEND:**

Since the Company has net losses, your Directors do not recommend any dividend for the year under review.

3. **TRANSFER TO RESERVES**

Since the Company has net losses for the year under review, no amount is transferred to Statutory Reserves.

4. **SHARE CAPITAL:**

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. **FIXED DEPOSITS:**

The Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

6. **DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Dewang Neralla, Director of your Company, retires in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends the appointment of Mr. Dewang Neralla in the ensuing Annual General Meeting.

All other Directors of the Company shall continue to be on the Board of the Company.

7. **AUDITORS:**

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

8. **AUDITORS' REPORT:**

The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

9. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Your Company is committed for adoption of various energy saving methods for Conservation of energy and endeavors to adopt modern technology to carry on its operations. Your Company also endeavors to carry out In-House R & D activities.

Your Company has not exported any product during the year under review and does not foresee any future export activity, in case the opportunity arises the Board shall take the necessary steps in this regard.

There were no foreign earnings and outgo during the year under review.

10. **PARTICULARS OF EMPLOYEES:**

None of the employees of your Company are in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975; hence no such particulars are annexed.

DIRECTORS' REPORT

11. DIRECTORS RESPONSIBILITY STATEMENT:

In terms of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

a. in preparation of Annual Accounts for the year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial year 2012-13 and of the profit made by the Company for that period;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Annual Accounts of the Company have been prepared on a going concern basis.

13. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Place: Mumbai	**Dewang Neralla**	**Devendra Agrawal**
Date: 27.05.2013	Director	Director

ADDENDUM TO THE DIRECTORS' REPORT

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 27th May 2013 shall now be read as under:

7. Auditors:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 27th May 2013.

For and on behalf of the Board of Directors

Place: Mumbai	**Dewang Neralla**	**Devendra Agrawal**
Date: 26.08.2013	Director	Director

INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF
RISKRAFT CONSULTING LIMITED

Report on the Financial Statement

We have audited the accompanying financial statements of **RISKRAFT CONSULTING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For MUKESH P. SHAH & CO.
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place: Mumbai
Date: 27.05.2013

INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of RISKRAFT CONSULTING LIMITED on the accounts of the company for the year ended 31st March, 2013.

(i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The company has not disposed off any substantial part of fixed assets during the year and accordingly going concern is not affected.

(ii) The Company is a service company; accordingly it does not hold any physical inventories. Hence, Paragraph 4 (ii) of the Order is not applicable to the Company.

(iii) The company has neither granted nor taken any loans secured or unsecured during the year to/from the companies, firms or other parties covered in register maintained under section 301 of the Companies Act, 1956, hence Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transactions carried out during the year, pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956. Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company

(vi) The company has not accepted any deposits from the public during the year and hence, the provisions of Paragraph 4 (vi) of the Order is not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209 (1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service-tax, Cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Provident Fund, Employees' State Insurance, Income Tax, Service-tax, Cess and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax and Cess were outstanding, as at March 31, 2013.

(x) The Company's accumulated losses at the end of the financial year are more than fifty percent of net worth of the Company. The Company has not incurred cash losses during the financial year covered by our audit but had incurred cash losses in the immediately preceding financial year.

(xi) In our opinion and according the information and explanations given to us, the Company has not borrowed any amounts from banks or financial institutions or by issue of debentures and hence, the provision of Paragraph 4 (xii) of the Order is not applicable to the Company.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund / societies.

(xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments. The Company has invested surplus funds in mutual funds. According to the information and explanations given to us proper records have been maintained of the transactions and timely entries have been made therein. The mutual funds have been held by the company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short-term basis used for long term investments.

(xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act; hence Paragraph 4 (xviii) of the Order is not applicable to the Company.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of the year.

For MUKESH P. SHAH & CO.
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place: Mumbai
Date: 27.05.2013

BALANCE SHEET

as at 31st March, 2013

(in ₹)

Particulars			Note No.	31st March 2013	31st March, 2012
Equities and liabilities					
1	**Shareholders' funds**				
	(a)	Share capital	2	70,000,000	70,000,000
	(b)	Reserve and surplus	3	(62,875,908)	(63,104,817)
				7,124,092	**6,895,183**
2	**Current liabilities**				
	(a)	Trade payables	4	1,571,330	59,562
	(b)	Other current liabilities	5	174,922	6,628
				1,746,252	**66,190**
				8,870,344	**6,961,373**
Assets					
1	**Non-current assets**				
	(a)	Fixed assets	6		
		(i) Tangible assets		477,244	560,089
		(ii) Intangible assets		269,073	346,664
	(b)	Long-term loans and advances	7	393,469	399,756
				1,139,786	**1,306,509**
2	**Current assets**				
	(a)	Current investments	8	6,473,763	4,722,389
	(b)	Cash and bank balances	9	892,157	403,926
	(c)	Short-term loans and advances	10	364,638	528,549
				7,730,558	**5,654,864**
				8,870,344	**6,961,373**
Summary of significant accounting policies			1		
The accompanying notes are integral part of the financial statements					

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla
Director

R. Devarajan
Director

Place : Mumbai
Date : 27.05.2013

STATEMENT OF PROFIT AND LOSS
for the year ended 31st March, 2013

(in ₹)

Particulars		Note No.	31st March 2013	31st March 2012
Continuing operation				
(I)	**Revenue**			
	Revenue from operations	11	1,650,000	187,500
	Other income	12	492,767	402,802
	Total revenue (I)		**2,142,767**	**590,302**
(II)	**Expenses**			
	Employee benefit expenses	13	216	237,579
	Other expenses	14	1,753,206	231,246
	Total expenses (II)		**1,753,422**	**468,825**
(III)	**Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)**		**389,345**	**121,477**
	Depreciation and amortization	15	160,436	160,436
(IV)	**Profit / (Loss) before tax**		**228,909**	**(38,959)**
	Tax expense			
	- Excess provision of tax for earlier year		-	(360,956)
(V)	**Total tax expensed from continuing operation**		-	(360,956)
(VI)	**Profit for the year**		**228,909**	**321,997**
(VII)	**Earnings per share**	17		
	Basic		0.03	0.05
	Diluted		0.03	0.05
	Face value per share		10/-	10/-
Summary of significant accounting policies		1		
The accompanying notes are integral part of the financial statements				

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla
Director

R. Devarajan
Director

Place : Mumbai
Date : 27.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

	Particulars	31st March 2013		31st March 2012	
A.	**Cash flow from operating activities**				
	Net profit/ (loss) before tax		**228,909**		**(38,959)**
	Adjustments for:				
	Depreciation/ amortisation	160,436		160,436	
	Dividend from investments	(351,375)		(222,388)	
	Interest income	(41,392)		(180,414)	
			(232,331)		(242,366)
	Operating loss before working capital changes		**(3,422)**		**(281,325)**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Trade receivables	-		170,000	
	Short-term loans and advances	1,650		18,036	
	Long-term loans and advances	6,287		670,010	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	1,511,768		(34,605)	
	Other current liabilities	168,294		(50,843)	
	Short-term provisions	-		(8,409)	
			1,687,999		764,189
	Cash from operations		**1,684,577**		**482,863**
	Less: Refund received (net of taxes paid)		162,262		2,022,316
	Net cash from operating activities		**1,846,839**		**2,505,179**
B.	**Cash flow from investing activities**				
	Proceeds from sale of fixed assets		0		1
	Purchase of investments		(13,358,850)		(4,722,389)
	Proceeds from sale of investments		11,607,475		-
	Dividend from investments		351,375		222,388
	Interest income		41,392		180,414
	Net cash used in investing activities		**(1,358,608)**		**(4,319,586)**
C.	**Cash flow from financing activities**		-		-
	Net cash from financing activities		-		-
	Net cash flow during the year		**488,231**		**(1,814,407)**
	Net increase/ (decrease) in cash and cash equivalents		**488,231**		**(1,814,407)**
	Cash and cash equivalents (opening balance)		**403,926**		**2,218,333**
	Cash and cash equivalents (closing balance)		**892,157**		**403,926**

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (Refer note 9) with cash and cash equivalents is as follows:

(In ₹)

	31st March 2013	31st March 2012
Cash and cheques on hand :	-	-
Bank balances :		
- in current account	892,157	403,926
Cash and bank balances	892,157	403,926

2. Purchase of fixed assets as stated during the year are considered as part of investing activities.
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) " Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
4. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI.

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla
Director

R. Devarajan
Director

Place : Mumbai
Date : 27.05.2013

NOTES

to financial statements for the year ended 31st March, 2013

1. Summary of significant accounting policies

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has been classified as current or noncurrent as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Depreciation on tangible assets has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation in respect of assets costing less than ` 5,000 each is fully depreciated in the year of capitalisation Intangible assets are amortised over their estimated useful life as follows:

Patent & Trade Marks -8 years

1.5 Revenue recognition

Income from services

Revenue is recognized when no significant uncertainty as to determination or realization exists.

Income from consultancy services is recognized when the services are provided. Income from services is stated net of service tax wherever applicable.

1.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.7 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.8 Intangible assets

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

1.9 Investments

Investments are classified as current investments and non-current (long-term) investments. Curent investments are carried at the lower of cost and quoted/fair value. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.10 Government Grants:

Government grants related to revenue are recognized on actual receipt and certainty basis in the profit and loss statement over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are shown separately under the head 'other income'.

1.11 Employee benefits

Post employment benefits and other long term benefits

Company's contribution to provident fund is charged to profit and loss account. The Company's liability towards gratuity is funded through a scheme (Group Gratuity) administered by the Life Insurance Corporation of India. Leave encashment on retirement is provided on actual basis in accordance with the Company's scheme in this respect

NOTES

to financial statements for the year ended 31st March, 2013

Defined benefit plans

For defined benefit schemes and other long term benefit plans viz. gratuity and leave encashment expected to occur after twelve months, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Actuarial gains and losses are recognized in full in the statement of profit and loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of the available refunds and reduction in contributions to the scheme.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

1.12 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.13 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) “Accounting for Taxes on Income”. Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.14 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss . If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of historical cost or recoverable amount.

1.15 Provisions and contingencies

The Company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

NOTES
to financial statements for the year ended 31st March, 2013

(In ₹)

		31st March 2013		31st March 2012	
2.	Share capital	No. of share	₹	No. of share	₹
	Authorised:				
	Equity shares of ₹.10/- each	7,000,000	70,000,000	7,000,000	70,000,000
		7,000,000	**70,000,000**	**7,000,000**	**70,000,000**
	Issued, subscribed & paid up:				
	Equity shares of ₹.10/- each fully paid-up	7,000,000	70,000,000	7,000,000	70,000,000
		7,000,000	**70,000,000**	**7,000,000**	**70,000,000**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

	31st March 2013		31st March 2012	
	No. of share	₹	No. of share	₹
At the beginning of the year	7,000,000	70,000,000	5,000,000	50,000,000
Issued during the year	-	-	2,000,000	20,000,000
Outstanding at the end of the year	**7,000,000**	**70,000,000**	**7,000,000**	**70,000,000**

The company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

b) Shares held by holding company

	31st March 2013		31st March 2012	
	No. of share	₹	No. of share	₹
Financial Technologies (India) Ltd.	**7,000,000**	**70,000,000**	**7,000,000**	**70,000,000**

c) Details of the shareholders holding more than 5% of the shares in the company

	31st March 2013		31st March 2012	
	No. of share	% holding	No. of share	% holding
Financial Technologies (India) Ltd.	7,000,000	100	7,000,000	100

(in ₹)

		31st March 2013	31st March 2012
3.	**Reserves and surplus**		
	Surplus / (deficit) in the statement of profit and loss		
	Balance as per last financial statements	(63,104,817)	(63,426,814)
	Add : Profit for the year	228,909	321,997
	Net deficit in the statement of profit and loss	**(62,875,908)**	**(63,104,817)**
4.	**Trade payables**		
	Trade payables	1,571,330	59,562
	(refer note 19 for details of dues to micro and small enterprises)		
		1,571,330	**59,562**
5.	**Other current liabilities**		
	Statutory payables		
	TDS payable	174,912	6,618
	Other (PF)	10	10
		174,922	**6,628**

NOTES

to financial statements for the year ended 31st March, 2013

6. Fixed assets

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.12	Additions	Deletion/ Adjustments	Cost as at 31.03.13	Upto 01.04.12	For the Year	Deletions/ Adjustments	Upto 31.03.13	As at 31.03.13	As at 31.03.12
Tangible assets										
Computer Hardware	32,916	-	-	32,916	11,168	5,336	-	16,504	16,412	21,747
Vehicles	815,889	-	-	815,889	277,547	77,509	-	355,056	460,833	538,342
	848,805	**-**	**-**	**848,805**	**288,715**	**82,845**	**-**	**371,560**	**477,244**	**560,090**
Intangible assets										
(Other than internally generated)										
Trade Marks	622,223	-	-	622,223	275,561	77,591	-	353,151	269,073	346,663
	622,223	**-**	**-**	**622,223**	**275,561**	**77,591**	**-**	**353,151**	**269,073**	**346,663**
TOTAL	**1,471,029**	**-**	**-**	**1,471,029**	**564,276**	**160,436**	**-**	**724,712**	**746,317**	**906,753**
Previous year	**1,471,029**	**-**	**-**	**1,471,029**	**403,840**	**160,436**	**-**	**564,276**	**906,753**	**1,067,189**

(in ₹)

		31st March 2013	31st March 2012
7.	**Long-term loans and advances**		
	Advances recoverable in cash or kind or for value to be received		
	Unsecured, considered good	159,803	147,965
		159,803	**147,965**
	Other loan and advances		
	-Prepaid expenses	912	2,039
	-Balances with statutory/government authorities - deposits	232,754	249,752
		233,666	**251,791**
		393,469	**399,756**
8.	**Current investments**		
	Non -Trade (valued at lower of cost and fair value)		
	Unquoted		
	-in mutual funds		
	Nil (previous year : 4,717.097) units of ₹ 1,000/- each in Reliance Money Fund - Retail Option - Daily Dividend Plan	-	4,722,389
	3,78,673.464 (previous year : nil) units of ₹ 10/- each in Reliance Medium Term Fund - Daily Direct Dividend Plan Dividend Reinvestment	6,473,763	-
		6,473,763	**4,722,389**
	Note:		
	1) Aggregate value of unquoted investments	**6,473,763**	**4,722,389**
9.	**Cash and bank balances**		
	Cash and cash equivalents		
	Bank balances:		
	With scheduled banks:		
	- in current account	892,157	403,926
		892,157	**403,926**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

10. Short-term loans and advances	31st March 2013	31st March 2012
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	8,920	-
	8,920	-
Other loans and advances		
-Prepaid expenses	2,560	13,130
-Tax deducted at source (net of provisions)	353,157	515,419
	355,717	**528,549**
	364,637	**528,549**
11. Revenue from operations		
Sale of services	1,650,000	187,500
	1,650,000	187,500
Details of services rendered		
Consultancy fee	1,650,000	187,500
	1,650,000	**187,500**
12. Other income		
Dividend from:		
- Current investments	351,375	222,388
Interest income from:		
- Income tax refund & Other	41,392	180,414
Grant from government (for NABARD project) (refer note no. 20)	100,000	-
	492,767	**402,802**
13. Employee benefit expenses		
Salaries and bonus (net of recovery)	24	30,154
Contribution to provident fund and other funds	192	192
Gratuity	-	207,233
	216	**237,579**
14. Other expenses		
Payment to auditor (refer details below)	63,510	84,750
Legal and professional charges	1,672,502	2,480
Travelling and conveyance	-	33,616
Printing & stationery	-	21
ROC fees	1,532	1,020
Insurance	11,090	51,774
Miscellaneous expenses *	4,572	57,585
* (includes, office expenses, profession tax, bank charges etc.)		
	1,753,206	**231,246**

Details of payment to auditor	31st March 2013	31st March 2012
As auditor :		
Audit fee	25,000	25,000
In other capacity		
Taxation matters	38,000	56,000
other services	510	3,750
	63,510	**84,750**
15. Depreciation and amortization expense		
Depreciation on tangible assets	82,845	82,845
Amortization of intangible assets	77,591	77,591
	160,436	**160,436**

NOTES

to financial statements for the year ended 31st March, 2013

16. Related party disclosures

(A) Names of related parties and related party relationship :

(i)	**Company whose control exists (Holding Company)**	: Financial Technologies (India) Limited (since incorporation)
(ii)	**Fellow Subsidiary** (with whom transactions are carried out)	: FT Knowledge Management Company Limited There are no transactions carried out during the year ended 31st March, 2013 and during the year ended 31st March, 2012, hence the details are not provided.
(iii)	**Associates of the Holding Company (where control exists)** (with whom transactions are carried out)	: Multi Commodity Exchange Of India Limited
(iv)	**Key Management Personnel (KMP)**	: Dewang Neralla (Director) There are no transactions carried out during the year ended 31st March, 2013 and during the year ended 31st March, 2012, hence the details are not provided.

(B) Related parties transactions :

Nature of Transactions		Holding Company		Associate company of Holding co. (where control exists)	
		31st March 2013 ₹	31st March 2012 ₹	31st March 2013 ₹	31st March 2012 ₹
1	Sale/purchase of goods, services and assets				
a	Consultancy fees	-	-	1,650,000	-
b	Legal & Professional Fees	1,458,006	-	-	-
2	Closing Balance				
	-Debit	-	-	-	-
	-Credit	(1,458,006)	-	-	-

Related party relationships are as identified by the company and relied upon by the auditor

(in ₹)

17. Earnings per share (EPS)	31st March 2013	31st March 2012
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net profit / (loss) after tax for calculation of basic EPS	228,909	321,997
Weighted average number of equity shares basic (nos.)	7,000,000	7,000,000
Weighted average number of equity shares diluted (nos.)	7,000,000	7,000,000
Basic earnings per share	0.03	0.05
Diluted earnings per share	0.03	0.05
Nominal value of equity share	10/-	10/-

18. Gratuity and other post-employment benefit plans

Gratuity Plan: The Company has made annual contributions to the Gratuity-cum-Life Assurance (Cash Accumulation) Scheme administered by the Life Insurance Corporation of India (‘LIC’), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

There were no qualified employees during the year, hence no funding were made during the year and also no actuarial valuation is carried out as per Accounting Standard - 15 “ Accounting for retirement benefits in the financial statements of employees”. During the year, the company has credited ₹ 11,837/- to interest income in the statement of profit and loss being the difference between the the closing balance(Assets) lying with the LIC ₹ 1,59,802/- and the opening balance of the assets lying with LIC ₹ 1,47,965/- .

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

19.	Details of due to micro and small enterprises as defined under the MSMED Act, 2006	31st March 2013	31st March 2012
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
		-	-
	Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/ payable etc. have been considered and disclosed on the basis of and to the extent replies to the company's communication received from vendors/ suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006		

20. The company had implemented the project titled"A Forecasting Model and Scenario Analysis for Inflation and Interest Rate for Indian Economy" in FY 2009-10 for which NABARD had approved a grant of ₹ 1,000,000/- for implementing the project.

The company had received during the year balance grant assistance of ₹ 1,00,000 (previous year NIL) for the project out of the total Grant Assistance approved of ₹1,000,000/-. During the year, ₹ 1,00,000/- (previous year NIL) is shown under the head "Other Income" as Government Grant (for NABARD project) against which corresponding expenses of Rs Nil/- (Previous year ₹ NIL) is incurred by the company for Implementation of the project which is being charged to statement profit & loss under the head" NABARD project expenses" . The yearwise details of expenses incurred on the project and receipt and receipt of grant are as under:-

Financial Year	Expense Incurred	Grant Received
2009-10	331,479	350,000
2010-11	730,531	550,000
2012-13	-	100,000
	1,062,010	**1,000,000**

21. The company's main object is to engage in the business of providing consultancy services. The company has considered business segment as primary segment. Thus there is only one identified reportable segment.

22. The company has accumulated losses as at 31st March 2013. The company has plans to achieve higher growth which would improve the revenue, resulting into consequential increase in profitability and net worth. Accordingly, the accounts have been prepared on going concern basis which is dependent upon future growth of business and profitability.

23. No provision for Income Tax is required to be made in view of the exempt nature of income and deductions available under the provisions of Income Tax Act, 1961

23. Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For and on behalf of the Board.

Dewang Neralla
Director

R. Devarajan
Director

Place : Mumbai
Date: 27.05.2013

DIRECTORS' REPORT

To,
The Members,
Your Directors presents the Eighth Annual Report on the business and operations of your Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2013.

1. FINANCIAL RESULTS AND OPERATIONS:

(in ₹)

Particulars	F.Y. 12-13	F. Y. 11-12
Total Income	10,98,61,071	10,74,84,282
Total expenditure	21,98,35,933	23,97,03,567
Profit/(Loss) before tax	(10,99,74,862)	(13,22,19,285)
Short provision of tax for earlier years	-	32,502
Profit/(Loss) After tax	(10,99,74,862)	(13,21,86,783)
Deficit in the statement of Profit and Loss	(1,25,06,373)	(43,36,38,777)
Balance to be carried forward	(12,24,81,235)	(56,58,25,560)
Reduction of Capital on cancellation of shares	-	55,33,19,187
Balance carried to Balance Sheet	(12,24,81,235)	(1,25,06,373)

During the year under review, the total revenue of your Company was Rs. 10,98,61,071/-as compared to Rs. 10,74,84,282/- during the previous year. Company has a net Loss of Rs. 10,99,74,862/- as compared to Rs. 13,21,86,783/-during the previous year.

2. DIVIDEND:

During the year your Company has incurred losses, hence your Directors do not recommend any dividend for the year under review.

3. SHARE CAPITAL:

During the year under review, the paid-up Share Capital of your Company stood at Rs. 17,16,22,063/- as at 31st March 2013. The Company remains to be a subsidiary of Financial Technologies (India) Limited.

4. LOANS:

As at 31 March, 2013, the Unsecured Loan stood at Rs. 2,50,00,000/-

5. FIXED DEPOSITS:

The Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

6. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Dewang Neralla, Director of your Company, retires in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends the appointment of Mr. Dewang Neralla in the ensuing Annual General Meeting.

Other Directors continue to be on the Board of your Company.

7. AUDITORS:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

8. AUDITORS' REPORT:

The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

9. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The Company is engaged in providing technology for mobile-phone based payment solutions and has no activity pertaining to manufacturing; furnishing of details pertaining to conservation of energy is not applicable. However, the Company is committed for adoption of various energy saving methods for Conservation of energy.

Your Company endeavors to adopt modern technology to carry on its operations. Your Company endeavors to carry out In-House R & D activities.

Your Company is making efforts so as to increase its export earnings.

10. FOREIGN EXCHANGE EARNINGS & OUTGO:

Foreign Exchange earning: Rs.34,67,318/-(Previous Year: Rs. 21,309/-)
Foreign Exchange outgo: Rs. 2,85,063/-(Previous Year: Rs. 1,81,904/-)

DIRECTORS' REPORT

11. PARTICULARS OF EMPLOYEES:

Details of the employees of your Company who are in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are attached below:

Name of employee	Designation	Qualifications	Age in years	Joining date	Experience in years	Gross remuneration	Previous Emp. Designation
Mahesh Nayak	Chief Marketing Officer	B.Sc.	42	03-10-12	20.06	68.00	Executive Vice President - TechProcess Solutions Ltd

12. DIRECTORS RESPONSIBILITY STATEMENT:

In terms of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

a. in preparation of annual accounts for the year ended 31 March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2012-13 and the loss made by the Company for that period;

c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Annual Accounts of the Company have been prepared on a going concern basis.

13. APPRECIATION:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Dewang Neralla Director
Devendra Agrawal Director

Place: Mumbai
Date: 27.05.2013

ADDENDUM TO THE DIRECTORS' REPORT

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 27th May 2013 shall now be read as under:

7. AUDITORS:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 27th May 2013.

For and on behalf of the Board of Directors

Dewang Neralla Director
Devendra Agrawal Director

Place: Mumbai
Date: 26.08.2013

INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF **ATOM TECHNOLOGIES LIMITED**

REPORT ON THE FINANCIAL STATEMENT

We have audited the accompanying financial statements of ATOM TECHNOLOGIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862
Place : Mumbai
Date : 27.05.2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **ATOM TECHNOLOGIES LIMITED** on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

(i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) The company has not disposed off any substantial part of fixed assets during the year and accordingly going concern is not affected.

(ii) (a) Inventory has been physically verified by the management at reasonable intervals during the year.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted/taken any loan, secured or unsecured to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transactions carried out during the year, pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956. Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company.

(vi) The company has not accepted any deposits from the public during the year and hence, the provisions of Paragraph 4 (vi) of the Order is not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209(1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service-tax and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service-tax and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax and Cess were outstanding, as at March 31, 2013 are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Withholding tax(TDS) u/s 201(1)/201(1A)	6,44,803/-	A.Y 2011-12	CIT(Appeal)

(x) The Company's accumulated losses at the end of the financial year are more than fifty percent of net worth of the Company. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according the information and explanations given to us, the Company has not borrowed any amounts from banks or financial institutions or by issue of debentures and hence, the provision of Paragraph 4 (xii) of the Order is not applicable to the Company.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund / societies.

(xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments. The Company has invested surplus funds in mutual funds. According to the information and explanations given to us proper records have been maintained of the transactions and timely entries have been made therein. The mutual funds have been held by the company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short term basis used for long term investments.

(xviii) According to the information and explanations given to us, the company has made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act. In our opinion, the price at which the shares have been issued is not prejudicial to the Company.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

BALANCE SHEET

as at 31st March 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
EQUITIES AND LIABILITIES			
1 **Shareholders' funds:**			
(a) Share capital	2	171,622,063	29,122,063
(b) Reserve and surplus	3	(122,481,235)	(12,506,373)
		49,140,828	**16,615,690**
2 **Non current liabilities**			
(a) Long term borrowings	4	10,136,026	-
(b) Long -term provisions	5	685,409	633,414
		10,821,435	**633,414**
3 **Current liabilities**			
(a) Short term borrowings	6	25,000,000	91,825,000
(b) Trade payables	7	17,485,112	19,671,065
(c) Other current liabilities	8	20,112,836	17,256,336
(d) Short term provisions	9	540,487	717,101
		63,138,435	**129,469,502**
		123,100,698	**146,718,606**
ASSETS			
1 **Non current assets**			
(a) Fixed assets:	10		
(i) Tangible assets		26,737,575	10,837,201
(ii) Intangible assets		9,062,934	12,998,968
(b) Non current Investments	11	50,000	50,000
(c) Long term loans and advances	12	4,294,327	4,822,216
(d) Other non-current assets	13	470,019	-
		40,614,855	28,708,385
2 **Current Assets**			
(a) Current investments	14	10,099,554	-
(b) Stock of traded goods	15	1,181,397	1,682,058
(c) Trade receivable	16	24,172,274	24,065,998
(d) Cash and bank balances	17	20,439,251	26,187,498
(e) Short term loans and advances	18	26,562,949	66,040,705
(f) Other current assets	19	30,418	33,963
		82,485,843	**118,010,222**
		123,100,698	**146,718,606**
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla
Director

R. Devarajan
Director

Place : Mumbai
Date : 27.05.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
Continuing operation			
(I) Revenue			
Revenue from operations	20	109,035,858	106,981,305
Other income	21	825,213	502,978
Total revenue (I)		**109,861,071**	**107,484,282**
(II) Expenditure			
Purchase of traded goods	22	2,481,894	6,009,875
Increase / (Decrease) in stock of traded goods		500,662	(548,841)
Employee benefit expenses	23	44,476,968	64,176,254
Other expenses	24	153,982,133	151,311,964
Total expenditure (II)		**201,441,657**	**220,949,252**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		(91,580,586)	(113,464,970)
Depreciation and amortization	25	10,386,031	11,382,511
Finance costs	26	8,008,245	7,371,804
(IV) Loss before tax		**(109,974,862)**	**(132,219,285)**
Tax expense			
- Current tax		-	-
- Short provision of tax for earlier years		-	(32,502)
(V) Total tax expensed from continuing operation		-	(32,502)
(VI) Loss for the year		**(109,974,862)**	**(132,186,783)**
(VII) Earnings per share	27		
Basic		(2.14)	(0.30)
Diluted		(2.14)	(0.30)
Face value per share		1/-	1/-
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla — Director
R. Devarajan — Director

Place : Mumbai
Date : 27.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

Particulars		31st March 2013		31st March 2012
A. Cash flow from operating activities				
Net Loss before tax		**(109,974,862)**		**(132,219,285)**
Adjustments for:				
Depreciation/ amortisation	10,386,031		11,382,511	
Finance cost	8,006,083		7,318,449	
Interest Income	(222,384)		(424,460)	
Loss on sale / scrap of fixed assets	1,535,756		18,033,843	
Bad trade receivable /advance written off	11,506,746		-	
Provision for doubtful debts/advances	15,761,910		-	
Impairment of fixed assets	4,728,074		-	
Consideration for cancellation of shares	-		553,319	
Dividend income	(115,600)		(76,879)	
		51,586,616		36,786,784
Operating loss before working capital changes		**(58,388,246)**		**(95,432,501)**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	500,661		(548,841)	
Trade receivables	(39,124,932)		17,541,813	
Short-term loans and advances	39,834,671		(38,987,251)	
Long-term loans and advances	527,889		5,959,137	
Other non-current assets	(462,560)		-	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(2,185,953)		3,448,837	
Other current liabilities	(1,647,402)		7,320,099	
Short-term provisions	(176,615)		(1,347,488)	
Long-term provisions	51,993		(2,228,124)	
		(2,682,248)		(8,841,820)
Cash used in operations		**(61,070,494)**		**(104,274,321)**
Less :Tax paid		(356,915)		(2,398,407)
Net Cash used in operating activities		**(61,427,409)**		**(106,672,728)**
B. Cash flow from investing activities				
Purchase of fixed assets		(17,272,029)		(1,983,172)
Proceeds from sale of fixed assets		407,829		13,237,044
Purchase of investments		(43,030,976)		(21,178,048)
Consideration for cancellation of shares		-		(553,319)
Proceeds from sale of investments		33,040,720		21,576,879
Dividend income		115,600		76,879
Interest income		218,470		513,924
Net Cash (used in) / from investing activities		**(26,520,386)**		**11,690,187**
C. Cash flow from financing activities				
Proceeds from borrowings		87,075,000		109,425,000
Repayment of borrowings		(139,260,072)		(242,800,000)
Proceeds from issue of share capital		142,500,000		250,000,000
Interest expense		(8,006,083)		(7,318,449)

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

Particulars	31st March 2013	31st March 2012
Net Cash from financing activities	**82,308,845**	**109,306,551**
Net cash flow during the year	**(5,638,950)**	**14,324,010**
Net (decrease)/ increase in cash and cash equivalents	**(5,638,950)**	**14,324,010**
Cash and cash equivalents (opening balance)	**24,056,325**	**9,732,315**
Cash and cash equivalents (closing balance)	**18,417,375**	**24,056,325**

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current and deposit accounts. Cash and cash equivalents includes :

(in ₹)

Particulars	31st March 2013	31st March 2012
Cash on hand	-	-
Bank balances		
- In current account	18,417,375	24,056,325
- In deposit account (maturing within 3 months)	-	-
Cash and cash equivalents	18,417,375	24,056,325
- In deposit account (maturing more than 3 months and less than 12 months)	2,021,876	2,131,173
Cash and bank balances	**20,439,251**	**26,187,498**

2. Purchase of fixed assets are stated inclusive of movement of capital work in progress between the commencement and end of the year and are considered as part of investing activities.

3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard issued (AS 3) " Cash Flow Statement" by The Institute of Chartered Accountants of India.

The schedules referred to above form an integral part of the accounts.

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla Director

R. Devarajan Director

Place : Mumbai
Date : 27.05.2013

NOTES

financial statements for the year ended 31st March, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 DEPRECIATION AND AMORTISATION

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the Rates prescribed under schedule XIV of the Act whichever is higher.

Depreciation in respect of assets costing less than ₹5,000 each is fully depreciated in the year of capitalisation

Intangible assets are amortised over their estimated useful life as follows:

Trademarks and Patents are amortized at their available useful life of ten and twenty years respectively. Computer software and Technical Knowhow are amortized over six years considering their related useful lives.

1.5 REVENUE RECOGNITION

INCOME FROM SERVICES

Revenue is recognized when no significant uncertainty as to determination or realization exists.

a) Revenue from Gateway Service Charges and POS services are recognized on the basis of completion of transactions.
b) Revenue from Monthly Maintenance Charges is recognized on periodic basis per the terms of respective agreements with the clients.
c) Revenue from Software/Hardware Set up & Integration Charges is recognized as per the terms of the respective agreements with the clients.
d) Income from sales and services are shown net of VAT and Service Tax.
e) Dividend income is recognized when the company's right to receive dividend is established.
f) Interest income is recognized on time proportion basis."

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

1.6 TANGIBLE FIXED ASSETS

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.7 INTANGIBLE ASSETS

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

1.8 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Initial recognition

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the company outstanding at the Balance Sheet date are restated at the year-end rates.

Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the company are recognised as income or expense in the statement of profit and loss. "

Non-monetary items denominated in foreign currency are carried at historical cost.

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financial statements for the year ended 31st March, 2013

1.9 INVENTORIES

Inventories of trading goods are stated at cost or net realisable value whichever is lower. Cost comprises of cost of purchase and other costs incurred in bringing the inventories to their respective present location and condition. Cost is determined on First in First out (FIFO) basis

1.10 INVESTMENTS

Investments are classified as current(short-term) investments and non-current(long-term) investments. Non current investments are valued at cost and current investments are carried at the lower of cost and quoted/fair value. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.11 EMPLOYEE BENEFITS

Post employment benefits and other long term benefits

Company's contribution to provident fund is charged to profit and loss account. The company's liability towards gratuity is funded through a scheme (Group Gratuity) administered by the Life Insurance Corporation of India. Leave encashment on retirement is provided on actual basis in accordance with the company's scheme in this respect

Defined benefit plans

For defined benefit schemes and other long term benefit plans viz. gratuity and leave encashment expected to occur after twelve months, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Actuarial gains and losses are recognized in full in the statement of profit and loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of the available refunds and reduction in contributions to the scheme

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

1.12 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.13 LEASES

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis.

1.14 TAXES ON INCOME

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative tax (MAT) paid in a year is charged to statement of profit & loss as current tax. Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

1.15 IMPAIRMENT OF ASSETS

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and

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financial statements for the year ended 31st March, 2013

loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of historical cost or recoverable amount.

1.16 PROVISIONS AND CONTINGENCIES

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

2 SHARE CAPITAL

(in ₹)

	31st March 2013		31st March 2012	
	Nos	**₹**	**Nos**	**₹**
Authorised:				
650,000,000 (Previous year 650,000,000 of ₹1/- each) Equity shares of ₹1/- each	650,000,000	650,000,000	650,000,000	650,000,000
	650,000,000	**650,000,000**	**650,000,000**	**650,000,000**
Issued, subscribed & paid up:				
171,622,063 (Previous year 29,122,063) Equity shares of ₹1/- each	171,622,063	171,622,063	29,122,063	29,122,063
*as per the Capital Reduction Scheme (Refer note (d) below)				
	171,622,063	**171,622,063**	**29,122,063**	**29,122,063**
a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year.				
At the beginning of the year	29,122,063	29,122,063	332,441,250	332,441,250
Issued during the year	142,500,000	142,500,000	250,000,000	250,000,000
Cancellation of shares on capital reduction *	-	-	(553,319,187)	(553,319,187)
Outstanding at the end of the year	**171,622,063**	**171,622,063**	**29,122,063**	**29,122,063**
The company has only one class of equity shares having par value of ₹1/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.				
b) Shares held by holding company				
Financial Technologies (India) Ltd.	**170,637,063**	**170,637,063**	**28,137,063**	**28,137,063**
c) Details of the shareholders holding more than 5% of the shares in the company	**Nos.**	% holding	Nos.	**% holding**
Financial Technologies (India) Ltd.	170,637,063	99.43	28,137,063	96.62

d) Note on capital Reduction

The Hon'ble High Court of Judicature at Bombay vide its order dated 27th April, 2012 sanctioned the scheme of capital reduction as approved in the Special Resolution passed by its members at the Extra Ordinary General Meeting held on February 27, 2012. effective date 1st February 2012 Accordingly from the effective date (i.e. March 1, 2012), the equity share capital of the company had been reduced from ₹582,441,250 divided into 582,441,250 equity shares of ₹1/- each to ₹29,122,063/- divided into 29,122,063 equity shares of ₹1/- each on cancellation of equity share capital of ₹553,319,187/- divided into 553,319,187 equity shares of ₹1/- each held by Financial Technologies (India) Ltd for a consideration of ₹553,319/- (₹Five Lac fifty three thousand three hundred nineteen only) by setting off of the debit balance in the Statement of Profit and Loss on the effective date and has been paid out of remaining net worth of the Company.

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financial statements for the year ended 31st March, 2013

(in ₹)

		31st March 2013	31st March 2012
3	**Reserves and surplus**		
	Deficit in the statement of profit and loss		
	Balance as per last financial statements	(12,506,373)	(433,638,777)
	Loss for the year	(109,974,862)	(132,186,783)
		(122,481,235)	**(565,825,560)**
	Add :		
	as per capital reduction Scheme on cancellation of shares (Refer note 2(d) above)	-	553,319,187
	Net deficit in the statement of profit and loss	**(122,481,235)**	**(12,506,373)**
4	**LONG TERM BORROWINGS**		
	Loan from related party (Refer note 30)		
	Unsecured, considered good	10,136,026	-
	Long term loan taken form related party. This loan is for the tenor of 3 years & carries interest rate of 11% p.a.The principal amount of loan is payable in 36 equal monthly installments of ₹490,809/- w.e.f. 20.03.2013.		
		10,136,026	**-**
5	**LONG TERM PROVISIONS**		
	Provision for leave encashment	685,409	633,414
		685,409	**633,414**
6	**SHORT TERM BORROWINGS**		
	Unsecured Loan -from holding company (refer note 30)	25,000,000	91,825,000
		25,000,000	**91,825,000**
7	**TRADE PAYABLES**		
	Trade payables	17,485,112	19,671,065
	(refer note 35 for details of dues to micro and small enterprises)		
		17,485,112	**19,671,065**
8	**OTHER CURRENT LIABILITIES**		
	Advances from customers	5,086,655	11,059,653
	Current maturities of long term borrowings	4,503,902	-
	Income received in advance (unearned revenue)	1,349,702	-
	Other Payables		
	- Statutory payable		
	Service Tax Payables	11,687	-
	TDS Payables	3,072,878	3,605,145
	Statutory-other (PF/VAT/PT etc.)	220,570	170,608
	- Contractually reimbursements/ payables	5,867,442	1,867,611
	- Others payable	-	553,319
		20,112,836	**17,256,336**
9	**PROVISIONS**		
	Provision for leave encashment	540,487	717,101
		540,487	**717,101**
11	**NON CURRENT INVESTMENT**		
	Trade (valued at cost)		
	Unquoted		
	- in Shares		
	5,000 (Previous Year 5,000) Equity shares of ₹10/- each fully paid up of Grameen Pragati Foundation	50,000	50,000
		50,000	**50,000**
	Note :		
	1) Aggregate Value of Unquoted Investments	50,000	50,000

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financial statements for the year ended 31st March, 2013

10. Fixed assets

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	Cost as at 1st April 2012	Additions during the year	Deletion/ Adjustments	Cost as at 31st March 2013	Upto 1st April 2012	For the year	Deletion/ Adjustments	Impairment during the year	Upto 31st March 2013	As at 31st March 2013	As at 31st March 2012
TANGIBLE ASSETS											
Office Equipment	1,248,468	121,575	163,620	1,206,423	134,389	67,564	16,687	-	185,266	1,021,157	1,114,079
Computer Hardware	18,677,012	28,841,822	6,195,084	41,323,750	10,219,431	6,181,763	4,398,431	4,728,074	16,730,836	24,592,914	8,457,581
Vehicles	1,495,137	-	-	1,495,137	229,596	142,038	-	-	371,634	1,123,503	1,265,541
	21,420,617	**28,963,397**	**6,358,704**	**44,025,310**	**10,583,416**	**6,391,365**	**4,415,118**	**4,728,074**	**17,287,737**	**26,737,574**	**10,837,201**
INTANGIBLE ASSETS (Other than internally generated)											
Trade Mark	239,680	-	-	239,680	132,305	25,037	-	-	157,342	82,339	107,375
Patent	533,200	-	-	533,200	80,087	26,660	-	-	106,747	426,453	453,113
Computer Software	2,821,929	58,632	-	2,880,560	715,052	475,609	-	-	1,190,661	1,689,900	2,106,876
Know how	20,800,000	-	-	20,800,000	10,468,396	3,467,360	-	-	13,935,756	6,864,244	10,331,604
	24,394,809	**58,632**	**-**	**24,453,440**	**11,395,840**	**3,994,665**	**-**	**-**	**15,390,505**	**9,062,935**	**12,998,968**
TOTAL	**45,815,425**	**29,022,029**	**6,358,704**	**68,478,751**	**21,979,256**	**10,386,030**	**4,415,118**	**4,728,074**	**32,678,242**	**35,800,509**	**23,836,169**
Previous year	**86,840,956**	**1,983,172**	**43,008,702**	**45,815,425**	**22,334,560**	**11,382,511**	**11,737,814**	**-**	**21,979,256**	**23,836,169**	**64,506,396**

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financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
12 Long term loans and advances (considered good)		
Security deposits	-	23,560
Unsecured, considered good	**-**	**23,560**
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	25,000	30,000
	25,000	**30,000**
Other loan and advances		
Prepaid expenses	43,788	-
Balances with statutory/government authorities-deposits	25,000	25,000
Tax deducted at source (net of provision)	4,200,539	4,743,656
	4,269,327	4,768,656
	4,294,327	**4,822,216**
13 CURRENT INVESTMENT		
Non Trade - current investments		
Unquoted		
- in Mutual Funds		
1009349.738 units (Previous year: Nil) JM Money Manager Fund superplus - Div- DDR	10,099,554	-
	10,099,554	**-**
Note:		
1) Aggregate value of unquoted investments	**10,099,554**	**-**
14 OTHER NON CURRENT ASSETS		
Interest accrued on fixed deposits	7,459	-
Deposits with original maturities of more than 12 months	462,560	-
	470,019	**-**
* Deposits of Rs 4,62,560 (Previous year Rs NIL) are in respect of securities against bank guarantees issued		
15 STOCK IN TRADE (VALUED AT LOWER COST AND NET REALIZABLE VALUE)		
Traded goods	1,181,397	1,682,058
	1,181,397	**1,682,058**
16 TRADE RECEIVABLES		
Unsecured, considered good unless stated otherwise		
Debts outstanding for a period exceeding six months from date they are due for payment		
- Unsecured, Considered good	4,225,655	13,408,617
- doubtful	17,904,198	4,737,091
	22,129,853	18,145,708
Less: Provision for doubtful receivables	(17,904,198)	(4,737,091)
	4,225,655	**13,408,617**
Other debts		
- Unsecured, considered good	19,946,619	10,657,381
- doubtful	-	118,228
	19,946,619	10,775,609
Less: Provision for doubtful receivables	-	(118,228)
	19,946,619	**10,657,381**
	24,172,274	**24,065,998**
17 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	-	-
Bank balances:		
With scheduled banks:		
- in current account	18,417,375	24,056,325
Deposits with original maturities of less than 3 months	-	-
	18,417,375	**24,056,325**

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financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
* Other bank balance		
Deposits with original maturities of more than 3 months but less than 12 months	2,021,876	2,131,173
*Deposits of ₹19,35,497 (Previous year ₹20,50,772) are in respect of securities against bank	**2,021,876**	**2,131,173**
guarantees issued and ₹86,379 (Previous year-80,401) is liened to CTO(commercial)		
Ernakulam.	**20,439,251**	**26,187,498**
18 SHORT TERM LOANS AND ADVANCES		
Security deposits		
Unsecured, considered good	1,050,000	900,000
	1,050,000	**900,000**
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	4,090,463	44,636,240
	4,090,463	**44,636,240**
Other Loan and advances		
- Prepaid expenses	1,264,344	1,485,281
- Loans to employees	29,048	349,498
- Balances with statutory/government authorities	13,284,841	12,725,662
- Tax deducted at source (net of provision)	6,844,056	5,944,024
- Excess of fund over provision (provision for gratuity)*	197	-
	21,422,486	**20,504,465**
*In case of gratuity, as the provision amount is less than the funded amount, the excess is		
disclosed under loans and advances	**26,562,949**	**66,040,705**
19 OTHER CURRENT ASSETS		
Interest accrued on fixed deposits	30,418	33,963
	30,418	**33,963**
20 REVENUE FROM OPERATIONS		
Sale of products		
Traded goods	3,997,140	6,511,550
Sale of Services		
IT/ IT enabled services	105,038,718	100,469,755
	109,035,858	**106,981,305**
Details of product sold :		
Traded Goods sold		
Computer hardware and peripherals	3,997,140	6,511,550
	3,997,140	**6,511,550**
Details of services rendered :		
Gateway service charges	12,989,001	13,705,882
Software set up & integration charges	23,940,881	35,668,685
Maintenance charges	8,034,512	3,009,854
Income from POS services	24,357,615	14,682,135
Other IT enable services	35,716,709	33,403,199
	105,038,718	**100,469,755**
21 OTHER INCOME		
Dividend from:		
- Current investments	115,600	76,879
Interest income from:		
- Bank deposit accounts	222,384	72,498
- Others	389,611	351,962
Other miscellaneous income	97,618	1,639
	825,213	**502,978**

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financial statements for the year ended 31st March, 2013

(in ₹)

		31st March 2013	31st March 2012	(Increase)/decrease
22 (INCREASE) / DECREASE IN STOCK IN TRADE				
Inventories at the end of the year				
Traded goods		1,181,397	1,682,058	500,661
		1,181,397	**1,682,058**	**500,661**
		31st March 2012	**31st March 2011**	**(Increase)/decrease**
Inventories at the beginning of the year				
Traded goods		1,682,058	1,133,217	(548,841)
		1,682,058	**1,133,217**	**(548,841)**

		31st March 2013	31st March 2012
Details of purchase of traded goods :			
Computer hardware and peripherals		2,481,894	6,009,875
		2,481,894	**6,009,875**
23 EMPLOYEE BENEFIT EXPENSES			
Salaries and bonus (net of recovery)		42,140,296	62,725,255
Contribution to provident fund and other funds		963,952	824,656
Gratuity		742,896	(717,806)
Staff welfare expenses		629,824	1,344,149
		44,476,968	**64,176,254**
Employee benefit expenses include research and development expenses		**13,265,439**	**18,048,238**
24 OTHER EXPENSES			
Smart cards enrolment charges		-	4,180,379
Software license fees expenses		3,367,973	3,694,269
Electricity charges		878,323	2,144,216
Managed services charges		27,000,000	27,000,000
Payment to auditors (Refer details below)		603,712	647,446
Rent		6,849,984	14,344,670
Repairs and maintenance		1,653,383	1,069,784
Travelling and conveyance		2,080,162	2,597,851
Communication expenses		3,641,649	4,552,083
Insurance expenses		153,231	194,305
Recruitment charges		1,110,704	211,902
SMS charges		2,607,013	231,646
Commission paid		25,773,566	12,197,656
Support service charges		24,323,724	29,212,468
Provision for doubtful debts/advances		15,761,910	4,772,160
Bad trade receivable /advance written off 14,219,779	14,219,779		
Less: Provision held (2,713,033)	(2,713,033)	11,506,746	31
Business promotion expenses		567,773	248,154
Advertisement expenses		110,916	348,049
Consideration for cancellation of shares		-	553,319
Legal and professional charges		16,527,231	19,758,399
Loss on sale of fixed assets (net)		97,482	17,930,183
Loss on scrap of fixed assets		1,438,274	103,661
Impairment of fixed assets		4,728,074	-
ROC fees expenses		149,807	2,006,810
Office expenses		1,054,104	1,581,190
Miscellaneous expenses		1,996,392	1,731,334
*(includes Printing and stationery expenses, Sponsorship expenses,			
Security service charge, Bank charges, Seminar and conference expenses,			
Subsciption and membership charges, Other misc. expenses, etc.)			
		153,982,133	**151,311,964**

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financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
Details of payment to auditor		
As auditor :		
Audit fee	225,000	225,000
In other capacity		
Taxation matters	315,000	375,249
other services (certification fees)	59,510	41,500
Reimbursement of expenses	4,202	5,697
	603,712	**647,446**
25 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	6,391,365	7,550,337
Amortization of intangible assets	3,994,666	3,832,175
	10,386,031	**11,382,511**
26 FINANCE COSTS		
Interest on borrowings		
- to holding company on unsecured loan (Refer note 30)	8,006,083	7,318,449
- to others	2,162	53,355
	8,008,245	**7,371,804**
27 EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net Profit / (Loss) after tax for calculation of basic EPS	(109,974,862)	(132,186,783)
Weighted average number of equity shares basic and diluted (nos.)	51,450,830	443,918,979
Basic and diluted earnings per share	(2.14)	(0.30)
Nominal value of equity share	1/-	1/-

28 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Gratuity Plan: The Company has made annual contributions to the Gratuity-cum-Life Assurance (Cash Accumulation) Scheme administered by the Life Insurance Corporation of India (‘LIC’), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the status of the gratuity plan and amounts recognized in the Company’s financial statements as at 31st March, 2013 :

	31st March 2013	31st March 2012
Statement of profit and loss		
Net employees benefit expense recognized in the employee cost		
Current service cost	340,963	1,156,989
Interest cost	78,129	288,165
Expected return on plan assets	(140,100)	(195,614)
Acturial (gain) or loss	463,904	(1,964,565)
Expense recognised in profit and loss statement	**742,896**	**(715,025)**
Actual return on plan assets	**23,353**	**195,925**
Balance sheet		
Benefit asset/(liability)		
Liability at the end of year	1,229,967	892,905
Fair value of the plan assets at the end of year	1,230,164	1,629,066
Plan asset	**197**	**736,161**
Changes in the present value of the defined benefit obligation are as follows :		
Projected benefit obligation at the beginning of the year	892,905	3,492,908
Interest cost	78,129	288,165
Current service cost	340,963	1,156,989
Liability Transfer In	-	277,179
Benefit paid	(429,187)	(2,452,378)
Actuarial loss/ (gain) on obligations	347,157	(1,869,957)
Projected benefit obligation at the end of the year	**1,229,967**	**892,905**

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financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
Changes in the fair value of plan assets are as follows :		
Fair value of the plan asset at the beginning of the year	1,629,066	2,371,084
Expected return on plan assets	140,100	195,614
Contributions	6,932	1,140,179
Fund Transfer In	-	517,939
Benefits paid	(429,187)	(2,596,061)
Actuarial (loss)/ gain on plan assets	(116,747)	311
Fair value of plan assets at the end of the year	**1,230,164**	**1,629,066**
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :		
Investments with insurer	**100%**	**100%**
The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the company's plans are shown below :		
Mortality Table (LIC)	1994-96(Ultimate)	1994-96(Ultimate)
Discount Rate	8.25%	8.75%
Expected rate of return on assets	8.70%	8.75%
Salary escalation rate	7.50%	7.50%
Employee turnover	For 0 to 4 yrs 6%	For 0 to 5 yrs. 6%
	p.a. & 5 yrs and	p.a. & 6 yrs. above
	above 2%	2%
Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.		
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.		

29 SEGMENT INOFRMATION

The company is engaged in the business of providing Information technology (IT) and Information Technology Enabled Services (ITES). The Company has considered business segment as Primary segment. Thus there is only one identified reportable segment.

30 RELATED PARTY DISCLOUSERS

(A) Names of related parties and related party relationship :

(i) Company whose control exists (Holding Company)	: Financial Technologies (India) Limited (since incorporation)
(ii) Fellow Subsidiaries	: National Bulk Handling Corporation Limited
(with whom transactions are carried out)	: FT Knowledge Management Company Limited
	: National Spot Exchange Limited
	: Financial Technology Communication Limited
	: Tickerplant Limited
	: Apian Finance & Investment Limited
	: Financial Technology Middle East DMCC
(iii) Associates of the Holding Company	: Multi Commodity Exchange of India Limited
(where control exists)	: Indian Energy Exchange Ltd
(with whom transactions are carried out)	
(iv) Key Management Personnel (KMP)	: Mr. Dewang Neralla (Director)
	(There are no transactions carried out during the year ended 31st March, 2013 and during the year ended 31st March, 2012, hence the details are not provided.)

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financial statements for the year ended 31st March, 2013

(in ₹)

Nature of Transactions	Holding Companies		Fellow Subsidiaries		Associate company of Holding co. (where control exists)	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012	31st March 2013	31st March 2012
(B) Related parties transactions :						
Sale/Purchase of goods,services and Assets						
Software setup and Integration charges and other services charge	708,125	1,974,720	7,720,918	1,250,000	4,533,456	9,265,160
Sale of fixed assets	250,941	1,286,252	80,685	-	20,285	24,104
Managed service charges paid	27,000,000	27,000,000	-	-	-	-
Professional fees Paid	80,000	232,571	-	-	-	-
Rent and Amenities charged by	6,816,984	14,316,670	-	-	-	-
Interest paid	7,875,345	7,318,449	130,738	-	-	-
Consideraion on cancellation of shares	-	553,319	-	-	-	-
Other reimbursement of expenses						
- Charged by them	5,555,511	9,715,382	558,508	528,844	1	-
- Charged to them	-	8,286	-	-	-	-
Purchase of fixed assets	1,867	42,545	-	-	-	-
Loan taken and repayment thereof						
Opening balances	91,825,000	225,200,000	-	-	-	-
Taken during the period	72,075,000	109,425,000	15,000,000	-	-	-
Repaid during the year	138,900,000	242,800,000	360,072	-	-	-
Balance as at March 31, 2013	25,000,000	91,825,000	14,639,928	-	-	-
Allotment of equity shares	142,500,000	250,000,000	-	-	-	-
Closing balance						
- Debit	-	-	7,589,918	-	-	-
Credit (excluding loan payable)	63,680	553,319	-	-	-	-

Note : Related parties are identified by the management and relied upon by us.

31 LEASES

Operating lease commitments : company as lessee

During the year, the company has entered into operating lease for its office. The Lease rentals/reimbursements recognized in the Profit and Loss Account during the year and future minimum lease payments under non-cancelable operating lease are as follows:

(in ₹)

	31st March 2013	31st March 2012
Lease Rentals (net of recoveries)	6,300,000	13,858,750
Future minimum lease payments:		
Not later than one year	8,400,000	6,300,000
Later than one year and not later than five years	Nil	4,200,000
Later than five years	Nil	Nil
32 Contingent liabilities and commitments		
a) Estimated amount of contract to be executed in Capital Account and not provided for (Net of Advances)	NIL	NIL
b) For commitments relating to lease arrangements (Refer note 31)	NIL	NIL
c) Contigent liabilties not provided for		
Income Tax*	644,803	-
	644,803	**NIL**

*Income tax demand comprise demand from the Indian tax authorities for payment of tax liability u/s 201(1)/201(1A) of the Income tax Act,1961 for ₹6,44,803/-for the financial years 2011-2012.The matter is pending before the Commissioner of Income tax (Appeals). The company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process.

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financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
33 EXPENDITURE IN FOREIGN CURRENY (ACCRUAL BASIS)		
Repairs to computers	4,086	12,257
Travelling expenses	43,936	159,227
Software license fees	191,895	10,297
othres	45,146	123
	285,063	**181,904**
34 EARNINGS IN FOREIGN CURRENY (ACCRUAL BASIS)		
Gateway charges, software setup & integration and monthly maintenance charges	3,467,318	19,726
othres	-	1,583
	3,467,318	**21,309**
35 DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DIFINED UNDER THE MSMED ACT, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	8,286	79,320
Interest due on above	-	-
	8,286	**79,320**
Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.		

36 The aggregate amount of revenue expenditure incurred during the year on research and development are shown in the respective heads of account is ₹8,658,648/- (previous year ₹11,943,643/-)

37 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For and on behalf of the Board.

Dewang Neralla
Director

R. Devarajan
Director

Place: Mumbai
Date : 27.05.2013

DIRECTORS' REPORT

To

The Members

NATIONAL BULK HANDLING CORPORATION LIMITED (NBHC)

Your Directors present the Eighth Annual Report of your Company along with the Audited Statement of Accounts for the year ended March 31, 2013.

FINANCIAL RESULTS AND OPERATIONS:

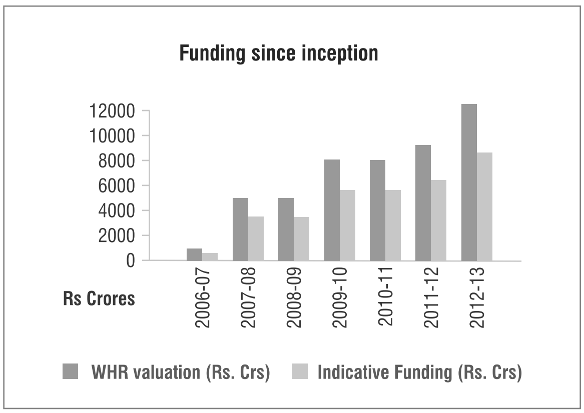
(Rupees in lacs)

Particulars	2012-13	2011-12	% growth
Total Income	15,995.96	12,390.03	29%
Total Expenditure	11,993.47	10,603.64	13%
EBITDA	4,002.49	1,786.39	124%
Profit before tax	1,917.25	492.84	289%
Income Tax	467.14	171.32	
Profit after Tax	1450.11	321.52	350%
Balance carried to Balance Sheet	4,016.15	2,566.03	
Paid up capital	8200	8200	
Net-worth	12,216	10,766	
Key Ratios			
EBITDA %	25%	14%	
ROCE %	29%	12.19%	
PAT Margin	9%	2.5%	

OVERVIEW

The fiscal year 2013 has been one of all-round achievements of your Company. On all the important parameters, both qualitative as well as quantitative, the Company has progressed well. The revenue from Trade Facilitation Services improved on the back of an expanding client base and increased reach both in terms of commodities as well as geography, which now also cater to overseas counterparties.

The Company maintains its distinct leadership in Collateral Management services with a sustained focus on post-harvest liquidity enhancement and inclusive services via warehouse receipt financing for all eco-system participants – namely farmers, MSME segment, etc.



YoY growth pattern of funding enabled		
Year	WHR Valuation (Rs Cr)	Value of Indicative Funding (Rs Cr)
2006-07	996	709
2007-08	4,830	3,469
2008-09	4,833	3,402
2009-10	7,842	5,489
2010-11	7,802	5,462
2011-12	8,957	6,270
2012-13	11,931	8,352
Cumulative Total	**47,181**	**33,152**

DIRECTORS' REPORT

Your Company continues to distinguish itself as the largest agri-warehousing and commodity management Company in the private sector, measured by its expanse, reach and also, with a marked focus on agriculture.

The high level of credibility complemented by efficient services has enabled the Company to reach the highest level of Assets under Management (AUM), achieved and publicly recorded by any domestic collateral manager.

Your Company believes that its mission and vision to serve all eco-systems partners is enduring, sustainable and can provide maximum benefits to the sector which provides employment to over 58% of the population of the country.

OPERATIONAL REVIEW:

Financial

Your Company has posted an impressive performance, which is reflected in the robustness of the business model which focusses on several complementary, yet independent verticals.

The operating revenue comprises sales of Services (Warehousing and Allied services with the sub-segments of Collateral Management Services, Warehousing Services, Pest Management Services, Quality Assaying and other support services) and Trade Facilitation Services which comprise procurement of commodities and complementary services.

Total operating revenue grew by 27% to Rs 156.28 crores vis-à-vis Rs 122.66 crores in FY12. The sub-segments too have shown remarkable growth with Warehousing Services increasing capacity accretion from 3.23 mn MT to 3.76 mn MT as at 31.3.2013. Economical and efficient warehousing and allied services are the foundation of the supply chain i.e. from the farm gate to the consumer, and your Company has shown strong, resilient growth on the capacity accretion as well as revenue accomplishment.

Trade Facilitation services, which is a crucial link of the supply chain has gained further impetus with the expansion of its services at additional locations in more states, inclusion of more commodities and development of international trade in FY13. This credibility is achieved through unmatched efficiency in commodity handling and management with a comprehensive services platform that distinguishes your Company from its peers, thus enabling your Company to gain momentum in TF services.

During the year gone by, your Company has further strengthened its leadership position in the Collateral Management services. The FY13, has seen remarkable growth in Assets under Management, surpassing AUMs of each of the respective previous years. The Company is thus well positioned to grow the Collateral Management Services substantially in FY 14.

During the fiscal, the Company enabled banks to lend about Rs. 8,300+ crores against Rs 6,270 crores during FY12. This activity has witnessed a substantial growth of about 32% year on year. Cumulatively, your Company has since its inception, enabled banks to lend over Rs. 33,100 crores funding – post harvest liquidity enablement, with over Rs. 47,100+ crores of assets managed by your Company. Further, the number of banks associated with the Company has also increased to 42 during the year.

The mandate from the country's largest and globally the third largest commodities futures exchange, viz. Multi Commodity Exchange of India Ltd. (MCX) requires seamless end-to-end warehousing services for the futures platform and the Company relying on its strong field operations and quality assaying capabilities continued to fulfill the mandate quite well.

Pest Management services grew modestly over the previous year and should be viewed in the backdrop of the revised business template, i.e. pursuing AMC based transactions as against its earlier dependency on "rate-card" contracts. With an appropriate mix of services, the margin has improved in Pest Management Services. This vertical has emerged as the largest commodity fumigation vertical in the private sector and has cumulatively executed 25.12 million MT of commodity fumigation. Your Company, believes that the pest management vertical will further consolidate by way of adding new clients specifically in the food retailing segment, better commercial terms, thus, yielding commensurate revenue growth in the future.

While your Company has forged ahead with its mandate to offer optimal, yet most economical services to the entire ecosystem, it is constrained by the cost on labour, rent and consumables. Operations are man-power intensive, spread across hundreds of locations which require constant appraisal, review and realignment with the market.

Interest costs have increased commensurately with the expansion and growth in volumes of procurement activities. The Company's borrowing capacity and funds management has been ramped up further by bringing other Banks into the multiple banking arrangement, thus initiating new lines of credit / facilities such as with State Bank of India, ICICI Bank Ltd. & Ratnakar Bank Ltd.

Operational

Your Company has continuously been striving for operational excellence and integrity and firmly believes that deployment of adequate resources for control and supervision would continue to be a significant differentiator in the business space. These processes are being further strengthened through risk based controls and supervision measures.

The Company has a network 52 sales and administrative offices, with QA facilities/ laboratories at 35 locations and Pest Management services at 30 locations spread across 15 states.

Projects

In continuing its strategy towards enhancement of storage capacities by way of ownership and/or acquisition of warehouses, your Company has since the previous year, commissioned with commencement of commercial operations of 4 warehouses at 3 locations i.e. Bellary (Karnataka), Tarana (MP) , Ganj Basoda (MP). The project at Dahod (Gujarat) which was initiated with placing of bids and acquisition of land during the previous fiscal is now at an

DIRECTORS' REPORT

advanced stage of construction /development and proposes to be commissioned by the third quarter of the current fiscal (FY14).

In aggregate, your Company had at 4 locations, a capacity of approx. 53,000 MTs of owned ware-house facilities during FY13, with a total of approx. 72,000 MTs expected by the end of the fiscal FY14.

DIVIDEND:

The Directors do not recommend any dividend for the Financial Year 2012-13 and have decided to retain the profits for future expansion plans of the Company.

HUMAN RESOURCES

Your Company acknowledges that its greatest assets are its employees. In view of the same, the Management has made efforts so as to facilitate employee growth by way of inclusive participation, specific training, overall lateral dissemination of operational expertise, etc. The Management has made training, performance awards & recognition for employee development the underlying HR theme for the current fiscal.

FIXED DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under during the year under review.

DIRECTORS

Mr. R Devarajan Director of the Company, has resigned on 8.8.2013. The Company acknowledges and places its appreciation on record for the contribution of Mr. Devarajan. In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association Mr. Jignesh P. Shah Director of the Company, retires by rotation in the forthcoming Annual General Meeting. The Director being eligible seeks reappointment.

As per information available with the Company, none of the Directors of the Company are disqualified for being appointed as a Director as specified in Section 274 of the Companies Act, 1956, as amended.

Remaining Directors continue to remain on the Board of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

(i) That in preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

(ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the period;

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Annual Accounts have been prepared on a going concern basis.

SHARE CAPITAL

There was no change in the paid up Share capital of the Company during the year under review and the same stood unchanged at Rs. 82 Crores.

AUDITORS

M/s. Mukesh P Shah & Co., Chartered Accountants, Mumbai, the Auditors of the Company retire at the ensuing Annual General Meeting and have conveyed to the Company, not to seek re-appointment at the ensuing Annual General Meeting.

The Company has received a Special notice under Section 190 of the Companies Act 1956 proposing the appointment of M/s Sharp & Tannan Associates (Firm Reg. No. 10998-W), Chartered Accountants as the Statutory Auditors in place of retiring Auditors M/s. Mukesh P Shah & Co. (Firm Regn No. 121719W). The Company has received a certificate from M/s Sharp & Tannan Associates to the effect that the appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Members are requested to appoint the M/s Sharp & Tannan Associates and authorize the Board to fix their remuneration at the ensuing Annual General Meeting.

AUDITORS' REPORT

The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

DIRECTORS' REPORT

EMPLOYEES

In Terms of the provision of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees as required are set out in the annexure to the Directors' Report.

CONSERVATION OF ENERGY AND TECHNOLOGY ADOPTION

Your Company has achieved operational performance on the back-bone of a robust IT infrastructure. The Company believes that appropriate IT enabled services can bring in unmatched efficiencies in operations, risk measurement, mitigation and pre-emption with the added utility of appropriate data mining as a key driver for business growth. It employs both in-house applications along with other universal packages with seamless migration of data across different applications.

The Company endeavours to continue employing commensurate resources for IT enabled service applications.

The Company is not engaged in manufacturing activities; hence furnishing of details relating to conservation of energy is not applicable. However the Company is committed for adoption of various energy saving methods for conservation of energy including using the latest available technology and also endeavors to carry out In-House R & D activities.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings are mainly from Trade Facilitation vertical for its international counter-parties.

During the year under review, the foreign exchange earnings was Rs. 30.67 crores as against Rs 1.59 crores in FY12,while foreign exchange expenditure on accrual basis and membership fees and interest payments were Rs .21 crores against Rs .017 crores during FY12.

ACKNOWLEDGEMENTS

We thank our customers, investors, bankers and vendors for their continued support during the year. We place on record our appreciation of the contribution made by the employees at all levels. We appreciate the valuable support received from various statutory authorities including Government of India, various state governments, the local authorities, and other government agencies for their support and look forward to their continued support in future.

FOR AND ON BEHALF OF THE BOARD

Anil K. Choudhary	**Paras K. Ajmera**
Managing Director & CEO	Director

Date: September 17, 2013

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To
The Members of National Bulk Handling Corporation Limited

Report on the Financial Statement

We have audited the accompanying financial statements of National Bulk Handling Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

    a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

    c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

    e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

    f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For MUKESH P. SHAH & CO.
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place: Mumbai
Date: 14th May 2013

INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of National Bulk Handling Corporation Limited on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

(c) The company has not disposed off any substantial part of fixed assets during the year and accordingly going concern is not affected.

ii. (a) Inventory has been physically verified by the management at reasonable intervals during the year.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

iii. As informed, the Company has neither granted nor accepted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, hence Clause 4(iii)(a) to (g) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.

v. (a) In our opinion and according to the information and explanation given to us by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needs to be entered into the register maintained under Section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

vi. The company has not accepted any deposits from the public during the year.

vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

viii. We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209 (1) (d) of the Companies Act, 1956 for the products of the company.

ix. According to the information and explanation given to us in respect of statutory and other dues:-

(a) The undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax Custom Duty, Excise Duty, Cess and any other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax Custom Duty, Excise Duty, Cess and any other undisputed statutory dues were outstanding, at the year end, for a period more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no disputed amount payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute.

x. The company has no accumulated losses at the end of the financial year. The company has not incurred cash losses in this financial year and also in the financial year immediately proceeding the current financial year.

xi. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

xii. Based on our examinations of the records and the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion the company is not a Chit Funds, Nidhi or Mutual Benefit Fund / Society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

INDEPENDENT AUDITOR'S REPORT

xvi. Based on the information and explanations given to us by the management, term loan were applied for the purpose for which the loans were obtained.

xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short-term basis used for long-term investments.

xviii. The company has not made preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

xix. The company did not have any outstanding debentures during the year.

xx. As informed to us, the company has not raised any money by way of public issues during the year.

xxi. We have been informed that there were two incidents of infidel acts by borrowers of banks in connivance with the staff of the Company at certain warehouses by misappropriating the total commodities amounting to ` 32 lakhs, held under trust by the Company on behalf of the banks .In both the cases ,the Company has lodged police complaints and suspended the concerned staff and lodged claims with the Insurance Company which the Company believes are covered under the said policy.

For MUKESH P. SHAH & CO.
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place: Mumbai
Date: 14th May 2013

BALANCE SHEET

AS AT 31ST MARCH, 2013

(in ₹)

Particulars	Note No.	31st March, 2013	31st March, 2012
Equity and liabilities			
1 Shareholders' funds			
(a) Share capital	3	820,000,000	820,000,000
(b) Reserves and surplus	4	401,615,004	256,603,540
		1,221,615,004	**1,076,603,540**
2 Non-current liabilities			
(a) Long-term borrowings	5	91,910,810	53,474,554
(b) Deferred tax liabilities (net)	6	23,122,289	18,556,074
(c) Long-term provisions	7	8,999,591	8,543,115
		124,032,690	**80,573,743**
3 Current liabilities			
(a) Short-term borrowings	8	1,877,487,479	886,587,705
(b) Trade payables	9	121,267,271	111,670,194
(c) Other current liabilities	10	814,368,201	397,973,525
(d) Short-term provisions	11	845,175	1,210,189
		2,813,968,126	**1,397,441,613**
		4,159,615,820	**2,554,618,896**
Assets			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12.A	321,692,296	267,989,119
(ii) Intangible assets	12.B	65,487,650	75,165,987
(iii) Capital work-in-progress		7,688,087	13,343,939
		394,868,033	**356,499,045**
(b) Non-current investments	13	305,000	282,000
(c) Long-term loans and advances	14	179,352,002	160,026,780
(d) Other non-current assets	15	28,309,267	2,367,479
		207,966,269	**162,676,259**
2 Current assets			
(a) Current investments	16	75,000	3,299,015
(b) Inventories	17	2,543,320,689	1,385,610,374
(c) Trade receivables	18	663,906,296	326,649,278
(d) Cash and bank balances	19	82,456,098	84,223,395
(e) Short-term loans and advances	20	217,468,466	205,042,644
(f) Other current assets	21	49,554,969	30,618,886
		3,556,781,518	**2,035,443,592**
		4,159,615,820	**2,554,618,896**
Summary of significant accounting policies	2.1		
The accompanying notes are integral part of the financial statements			

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 14th May 2013

For and on behalf of the Board.
National Bulk Handling Corporation Limited

Anil K Choudhary
Managing Director & CEO

Paras Ajmera
Director

Rakesh Garg
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

(in ₹)

Particulars		Note No.	31st March, 2013	31st March, 2012
	Continuing operations			
	Income			
(I)	**Revenue**			
	Revenue from operations	22	1,562,879,053	1,226,663,317
	Other income	23	36,717,200	12,340,562
	Total revenue (I)		**1,599,596,253**	**1,239,003,879**
(II)	**Expenses**			
	Employee benefits expenses	25	252,591,945	293,290,346
	Operating and other expenses	26	946,755,226	767,074,499
	Total expenses (II)		**1,199,347,171**	**1,060,364,845**
(III)	**Earings before interest, tax, depreciation and amortization (EBITDA) (I-II)**		400,249,082	178,639,034
	Depreciation and amortisation expenses	27	50,382,417	41,743,070
	Finance costs	28	158,141,396	87,611,039
			191,725,269	**49,284,925**
(IV)	**Profit before tax**			
	Tax expense / (benefit):			
	Current tax expenses		54,260,000	9,859,000
	MAT credit entitlement		-	(9,820,000)
	MAT credit availed relating to prior years		(22,229,679)	-
	Short / (Excess) provision for tax relating to prior years		10,117,269	-
	Net current tax expenses		**42,147,590**	**39,000**
	Deferred tax		4,566,215	17,093,504
(V)	**Net tax expense / (benefit)**		**46,713,805**	**17,132,504**
(VI)	**Profit from continuing operations (IV-V)**		**145,011,464**	**32,152,421**
				-
(VII)	**Earnings per equity share (of ₹ 10/- each):**	29		
Basic			1.77	0.39
	Computed on the basis of total profit from continuing operations			
Diluted			1.77	0.39
	Computed on the basis of total profit from continuing operations			
Summary of significant accounting policies		2.1		
The accompanying notes are integral part of the financial statements				

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 14th May 2013

For and on behalf of the Board.
National Bulk Handling Corporation Limited

Anil K Choudhary
Managing Director & CEO

Paras Ajmera
Director

Rakesh Garg
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

₹

	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
A.	**A. Cash flow from operating activities**		
	Net profit before tax	191,725,269	49,284,925
	Adjustments for:		
	Depreciation and amortisation expenses	50,382,417	41,743,070
	Dividend income	(42,546)	(221,393)
	Interest expense	153,580,413	83,821,268
	Interest income	(5,373,280)	(144,464,868)
	Net (gain) / loss on sale of investments	(436)	-
	Provisions written back no longer required	(19,963,337)	-
	Profit on sale of fixed assets	(4,999)	-
	Loss on sale of fixed asset	1,409,304	2,949,798
	Bad Debts and advances written off	82,272,578	25,815,148
	Provision for doubtful trade and other receivables, loans and advances	5,000,021	9,781,953
	Unrealised foreign exchange loss	2,926,048	-
	Operating profit / (loss) before working capital changes	**461,911,452**	**68,709,901**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Decrease / (Increase) in Inventories	(1,157,710,315)	114,921,444
	Decrease / (Increase) in other current assets	(18,393,438)	4,947,264
	Decrease / (Increase) in other Non current assets	(25,289,458)	(126,844)
	Decrease / (Increase) in trade receivables	(404,566,280)	(35,015,985)
	Decrease / (Increase) in Long Term Loans and Advances	(19,325,222)	(88,048,394)
	Decrease / (Increase) in Short Term Loans and Advances	(44,120,316)	73,230,212
	Adjustments for increase / (decrease) in operating liabilities:		
	Increase / (Decrease) in Trade Payables	6,671,030	42,286,213
	Increase / (Decrease) in current liabilities & provisions	440,866,843	72,516,923
	Increase / (Decrease) in current provisions	(365,014)	(1,800,195)
	Increase / (Decrease) in Long Term Provisions	-	3,724,981
	Increase / (Decrease) in Non current provisions	456,476	-
	Cash generated from operations	**(759,864,242)**	**255,345,520**
	Income taxes paid (net of refunds)	(34,925,265)	(11,420,246)
	Net cash flow from / (used in) operating activities (A)	**(794,789,507)**	**243,924,574**
B.	**Cash flow from investing activities**		
	Purchase of fixed assets (including intangible assets, Capital working progress)	(90,893,074)	(124,686,187)
	Proceeds from sale of fixed assets	737,364	839,888
	Current investments not considered as Cash and cash equivalents		
	- Purchased	(73,000)	(223,393)
	- Proceeds from sale	3,274,451	-
	- Investments in bank deposits (having original maturity of more than three months) net	(23,248,087)	(150,272)
	Purchase of Non Current investments	-	(61,000)
	Interest received	4,178,306	144,464,868
	Dividend received	42,546	221,393
	Net cash flow from / (used in) investing activities (B)	**(105,981,494)**	**20,405,297**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2013

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Particulars			For the year ended 31st March, 2013	For the year ended 31st March, 2012
C.	**Cash flow from financing activities**			
	Proceeds from long-term borrowings		2,993,928,075	53,474,554
	Repayment of long-term borrowings		38,436,256	-
	Proceeds / repayment of short-term borrowings - Net		(2,003,028,301)	(205,793,794)
	Interest expenses		(153,580,413)	(81,720,198)
	Net cash flow from / (used in) financing activities (C)		**875,755,617**	**(234,039,438)**
	Net (decrease) / increase in Cash and cash equivalents (A+B+C)		**(25,015,384)**	**30,290,433**
	Cash and cash equivalents at the beginning of the year		**82,071,482**	**51,781,049**
	Cash and cash equivalents at the end of the year		**57,056,098**	**82,071,482**
	Notes to cash flow statement:			
	1.	**Cash and cash equivalents at the end of the year**		
	(a)	Cash on hand	20,428	36,776
	(b)	Cheques, drafts on hand	14,152,288	9,603,701
	(c)	Balances with banks		
	(i)	In current accounts	19,383,382	69,458,875
	(ii)	In other deposit accounts - original maturity of 3 months or less	23,500,000	2,972,130
			57,056,098	**82,071,482**

2. Purchase of fixed assets as stated during the year are considered as part of investing activities.
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) " Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
4. Previous year's figures have been regrouped, rearranged reclassified wherever necessary to correspond with the figures of the current year as required under revised schedule VI.

The notes referred to above form an integral part of the financial statements.

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 14th May 2013

For and on behalf of the Board.
National Bulk Handling Corporation Limited

Anil K Choudhary
Managing Director & CEO

Paras Ajmera
Director

Rakesh Garg
Company Secretary

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. Corporate Information

National Bulk Handling Corporation Ltd. (NBHC) is an ISO 9001: 2000 and ISO 22000:2005 certified company and a national-level end-to-end solution provider in warehousing and bulk handling, grading and inspection, commodity care and pest management, collateral management, procurement and disposal of commodities, warehouse audit and accreditation, and commodity valuation. The company's inherent business philosophy is to provide a professional, single-window, convenient, customized, economical, and value-added service experience (both financially and operationally) to all clients and business associates. NBHC services are designed to add value to commodities and are accessible to a wide spread of clientele right from small and marginal farmers to global corporate.

2. Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of Significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

ASSETS	RATE (SLM)
Godown Building	1.63%
Furniture & Fixtures	6.33%
Vehicles	11.31%
Office Equipment's	4.75%
Computer Hardware	16.21%

Leasehold improvements are depreciated over a period of the lease.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

ASSETS	RATE (SLM)
Trademarks	10.00%
Computer Software	16.66%

e) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating leases payments are recognized as an expense in the statement of profit and loss on a straight line basis over the period of lease term.

f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

h) Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Inventories

Inventories of Raw Material are valued at Cost on FIFO basis.

Finished Goods are valued at Lower of cost or Net Realizable Value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Stores, Spares and Consumables are stated at cost. In case of defective and obsolete items, due allowance is estimated and provided for wherever necessary.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Fumigation sheets and dunnage have a useful life of three years and two years respectively, as per representation made by Management. Accordingly cost of fumigation sheets and dunnages are being written off over a period of 3 years and 2 years respectively from the date of put to use.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

j) **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. The following specific recognition criteria must also be met before revenue is recognized.

Sale of Goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The company collects sales taxes, excise duty and value added taxes (VAT) on behalf of the government and , therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duties deducted from the turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arouse during the year.

Income from Services

Revenues are recognized on an accrual basis, as and when services are rendered. The company collects service tax on behalf of the government and , therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Interest

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other Income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

k) **Foreign currency translation**

Foreign currency transactions and balances

(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 the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) **Exchange Difference**

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as "long –term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. All other exchange differences are recognized as income or as expenses in the period in which they arise.

l) **Derivative instruments**

The Company uses derivative financial instruments such as forward foreign exchange contracts entered into for hedging the risk of foreign currency exposure(in respect of highly probable forecasted transactions / firm commitments). As per principle of prudence as enunciated in Accounting Standard 1 (AS-1) "Disclosure of Accounting Policies ", losses, if any, on the basis of Mark to Market basis, are recognised in the statement of Profit and Loss and gains are not recognised on prudent basis.

m) **Retirement and other employee benefits**

i) Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of Profit and Loss Account for the year when the contributions are due. The company has no obligation; other than the contribution payable to the provident fund.

ii) Gratuity liability is defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains/losses are recognized in full in the period in which they occur

iii) Accumulated leave which is expected to be utilized within the next 12 months , is treated as short term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

iv) The company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n) **Income taxes**

Tax expense comprises of current and deferred tax . Current income tax is measured at the amount expected to be paid to the tax authorities in

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

o) Segment Reporting Policies

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Company's business segments are as under :

a) **Storage & allied services**: Includes storages of agricultural and non- agricultural, fumigation, testing, quality certification, funding through collateral management.

b) **Trade Facilitation**: It includes providing services for procurement of commodities on behalf of the customers(including grading, sorting, warehousing etc.) of the commodities and sale the same at a future date.

Allocation of common costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

Unallocated items includes general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies :

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

p) 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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 dilutive potential equity shares.

q) Provisions

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

r) Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

s) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

t) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

(In ₹)

3. Share capital	31st March 2013	31st March 2012
Authorised Shares		
140,000,000 (previous year: 140,000,000) Equity Shares of ₹ 10/- each	**1,400,000,000**	**1,400,000,000**
Issued, subscribed and fully paid-up shares		
80,000,000 (previous year: 80,000,000) Equity Shares of ₹ 10/- each	800,000,000	800,000,000
Issued, subscribed but not fully paid-up shares		
20,000,000 (previous year: 20,000,000) Equity Shares of ₹ 10/- each (Re. 1/- called and paid up)	20,000,000	20,000,000
Total issued, subscirbed and paid-up share capital	**820,000,000**	**820,000,000**

Notes:

a. Reconciliation of shares outstanding at beginning and end of reporting period

	31st March 2013		31st March 2012	
	No. of share	₹	No. of share	₹
At the beginning of the period	100,000,000	820,000,000	100,000,000	820,000,000
Issued during the period - Bonus issue	-	-	-	-
Issued during the period - ESOP	-	-	-	-
Outstanding at the end of the period	**100,000,000**	**820,000,000**	**100,000,000**	**820,000,000**

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

c. **Shares held by holding/ultimate holding company and/or their subsidiaries/associates**

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company is as below:

(In ₹)

	31st March 2013	31st March 2012
Financial Technologies India Limited, the holding company	760,000,000	760,000,000
76,000,000 (previous year : 76,000,000) equity shares of ₹ 10/- each fully paid		
	760,000,000	**760,000,000**

d. **Details of shareholders holding more than 5% shares in the company**

	31st March 2013		31st March 2012	
Particulars	**No. of share**	**% holding**	**No. of share**	**% holding**
Financial Technologies India Limited	76,000,000	76.00%	76,000,000	76.00%
FT Foundation	20,000,000	20.00%	20,000,000	20.00%
	96,000,000	**96.00%**	**96,000,000**	**96.00%**

(in ₹)

4. Reserves and surplus	31st March 2013	31st March 2012
Surplus in the statement of profit and loss		
Balance as per financial statements	256,603,540	224,451,119
Add: profit for the year	145,011,464	32,152,421
Net surplus in the statement of profit and loss	401,615,004	256,603,540
Total reserves and surplus	**401,615,004**	**256,603,540**

(in ₹)

	Non-current portion	
5. Long-term borrowings	**31st March 2013**	**31st March 2012**
Term loans (secured)		
Indian rupee loan from banks		
Term loans I & II (refer note: a)	45,626,185	53,474,554
Term loans III & IV (refer note: b)	46,284,625	-
	91,910,810	**53,474,554**
Current maturites of term loan	**Current maturities**	
	31st March 2013	**31st March 2012**
Term loans I & II (refer note: a)	8,542,860	8,542,857
Term loans III & IV (refer note: b)	6,784,608	-
	15,327,468	8,542,857
Amount disclosed under the head “other current liabilities” (refer Note 10)	(15,327,468)	(8,542,857)
	-	-

Notes :

a. In respect of term loan no I and II , Indian rupee loan from Axis Bank was taken during the financial year 2011-2012 and carries interest @ 10.25 % p.a. fixed for the tenor of loan. The principal amount of loan is payable in 84 equal monthly installments of ₹ 711,905/- effective 30.04.2012. Interest is to be serviced separately as and when applied. In case of term loan in lieu of subsidy: Bullet payment to be made on the date coinciding with date of final installment for parent term loan. The loan is secured primarirly : exclusive first chrge on all the movable and immovable assets including land, bulilding and other movable fixed assets created out of the financed term loan. Collateral: extension of charge on the assets created out of other term loans.

b. In respect of term loan no III and IV , Indian rupee loan from Axis Bank is taken on 31.10.2012, during the financial year 2012-2013 and carries interest @ 10.25 % p.a. fixed for the tenor of loan. The principal amount of loan is payable in 78 equal monthly installments of ` 565,384/- w.e.f. 31.01.2013. Interest is to be serviced separately as and when applied. In case of term loan in lieu of subsidy: Bullet payment to be made on the date coinciding with date of final installment for parent term loan.The loan is secured primarirly : exclusive first chrge on all the movable and immovable assets including land, bulilding and other movable fixed assets created out of the financed term loan. Collateral: extension of charge on the assets created out of other term loans.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(in ₹)

		31st March 2013	31st March 2012
6.	**Deferred tax liability (net)**		
	Deferred tax liability		
	Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	23,122,289	18,556,074
	Deferred tax liability		
	Total	**23,122,289**	**18,556,074**
7.	**Long-term provisions**		
	Provision for employee benefits:		
	Provision for gratuity (refer note 29)	1,340,718	(243,118)
	Provision for leave benefits (refer note 29)	7,658,873	8,786,233
	Total	**8,999,591**	**8,543,115**
8.	**Short-term borrowings**		
	Loans repayable on demand		
	from banks (secured)		
	in indian rupees		
	on account of cash credit from		
	HDFC Bank (refer note: a)	27,322,895	105,795,695
	ICICI Bank (refer note: b)	220,092,253	-
	against warehouse receipt from		
	Axis Bank (refer note: c)	-	229,236,941
	ICICI Bank (refer note: d)	297,552,847	-
	Ratnakar Bank (refer note: e)	193,820,474	-
	other loans from		
	Axis Bank (refer note: f)	-	301,555,069
	Yes Bank (refer note: g)	950,000,000	250,000,000
	in Foreign currency		
	buyers credit from		
	HDFC Bank - (refer note: h)	102,560,107	-
	ICICI Bank - (refer note: i)	86,138,903	-
	Total	**1,877,487,479**	**886,587,705**

Notes:

(a) Cash Credit loan taken form HDFC Bank, this loan is payable on demand & carries interest rate of 10.75%. This loan is secured by-Pari-passu charge on the current assets of the Company by way of hypothication.

(b) Cash Credit loan is taken form ICICI Bank, this loan is payable on demand & carries interest of 11%. This loan is secured by-Pari-passu charge on the current assets of the Company by way of hypothication.

(c) Short term loan taken form Axis Bank , this loans is for the tenor between 180-270 days and carries interest rate between 9.5%-11%. These loans are secured by- Pledge of specific agro commodities ,Warehouse Receipts.

(d) Short term loan taken form ICICI Bank , this loans is for the tenor between 180-270 days & carries interest rate of 11% . This loan is secured by- Pledge of specific agro commodities Warehouse Receipts.

(e) Short term loans taken form Ratnakar Bank Ltd, these loans is for the tenor between 180-270 days & carries interest rate of 11.25%. These loans are secured Primary by- Pledge of specific agro commodities ,Warehouse Receipts.

(f) Short term loan taken form Axis Bank, this loan is for the tenor between 180 to 270 days and carries interest rate of 11%. This loan is secured by-Pari-passu charge on the current assets of the Company.

(g) Short term loans taken form Yes Bank, these loans are for the tenor between 90 to 180 days & carries interest of 10.6% for first 75 crores & carries interest of 10.5% for another 20 crores. These loans are secured by-Pari-passu charge on the current assets of the Company.

(h) Buyers Credit loan taken form HDFC Bank, in US Dollars , this loan is for the tenor between 60 to 90 days and carries interest of 1.9050%. This loan is secured by-Pari-passu charge on the current assets of the Company.

(i) Buyers Credit loan taken form ICICI Bank, in US Dollars , this loan is for the tenor between 60 to 90 days and carries interest of 0.77%. This loan is secured by-Pari-passu charge on the current assets of the Company.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(in ₹)

		31st March 2013	31st March 2012
9.	**Trade payables**		
	Trade payables		
	Trade payables (including acceptances) (refer note 35 for details of dues to micro and small enterprises)	121,267,271	111,670,194
	Total	**121,267,271**	**111,670,194**
10.	**Other current liabilities**		
	Current maturities of long-term borrowings (refer note 5)	15,327,468	8,542,857
	Interest accrued but not due on borrowings	3,115,761	4,333,000
	Interest due on borrowings	1,842,866	-
	Other payables		
	Advances from customers	751,925,484	333,040,181
	Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	25,896,424	16,569,743
	Provision for income tax (net of advance)	-	24,472,167
	Contractually reimbursable expenses	16,260,198	11,015,577
	Total	**814,368,201**	**397,973,525**
11.	**Short-term provisions**		
	Provision for employee benefits:		
	Provision for leave benefits	845,175	1,210,189
	Total	**845,175**	**1,210,189**

12 A. Tangible assets

Particulars	Land	Leaseholds-Land-Freehold	Buildings	Plant and equipment	Computer hardware	Office equipment	Fumigation equipment	Laboratory equipment	Furnitures and fixtures	Vehicles	Leasehold improvements	Total
Cost or valuation												
At 1 April 2011	53,544,360		61,447,774	2,661,437	28,357,972	18,266,407	7,265,006	20,182,363	12,044,557	11,822,806	4,865,365	220,458,047
Additions			56,325,298	729,351	2,011,005	13,525,638	619,231	578,309	2,850,950	-	26,061,467	102,701,249
Disposals	-	-	-	-	(1,652,696)	(383,683)	-	-	(1,948,287)	(1,431,925)	(977,080)	(6,393,671)
Other adjustments												-
- Exchange differences												
- Borrowing costs	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2012	**53,544,360**	**-**	**117,773,072**	**3,390,788**	**28,716,281**	**31,408,362**	**7,884,237**	**20,760,672**	**12,947,220**	**10,390,881**	**29,949,752**	**316,765,625**
Additions		33,605,596	33,384,476	134,568	2,314,973	1,337,051	915,387	2,104,105	115,783	-	36,799	73,948,738
Disposals	-	-	-	-	(2,846,450)	(397,586)	(39,004)	-	(154,435)	(2,249,742)	-	(5,687,217)
Other adjustments												
- Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
- Borrowing costs	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2013	**53,544,360**	**33,605,596**	**151,157,548**	**3,525,356**	**28,184,804**	**32,347,827**	**8,760,620**	**22,864,777**	**12,908,568**	**8,141,139**	**29,986,551**	**385,027,146**
Depreciation												
At 1 April 2011	-	-	1,169,364	117,251	14,906,727	4,134,799	1,880,828	3,478,819	3,855,054	2,605,821	4,353,560	36,502,223
Charge for the year		-	1,005,736	126,514	4,550,716	1,896,250	692,876	1,040,077	1,531,125	1,279,089	3,141,831	15,264,214
Disposals	-	-	-	-	(1,337,400)	(71,454)	-	-	(371,429)	(333,337)	(876,311)	(2,989,931)
At 31 March 2012	-		2,175,100	243,765	18,120,043	5,959,595	2,573,704	4,518,896	5,014,750	3,551,573	6,619,080	48,776,506
Charge for the year	-	330,150	2,161,870	163,946	4,425,982	1,739,552	582,181	1,288,595	724,013	1,053,104	5,586,819	18,056,212
Disposals	-	-	-	-	(2,446,497)	(20,196)	-	-	(112,438)	(918,737)	-	(3,497,868)
At 31 March 2013	**-**	**330,150**	**4,336,970**	**407,711**	**20,099,528**	**7,678,951**	**3,155,885**	**5,807,491**	**5,626,325**	**3,685,940**	**12,205,899**	**63,334,850**
Net Block												
At 31 March 2012	53,544,360	-	115,597,972	3,147,023	10,596,238	25,448,767	5,310,533	16,241,776	7,932,470	6,839,308	23,330,672	267,989,119
At 31 March 2013	**53,544,360**	**33,275,446**	**146,820,578**	**3,117,645**	**8,085,276**	**24,668,876**	**5,604,735**	**17,057,286**	**7,282,243**	**4,455,199**	**17,780,652**	**321,692,296**

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

12 B. Intangible assets

Particulars	Patents and trademarks	Computer software	Total
Cost or valuation			
At 1 April 2011	109,200	86,684,239	86,793,439
Purchase	-	29,442,658	29,442,658
Disposals		(882,421)	(882,421)
Internal development	-		-
At 31 March 2012	**109,200**	**115,244,476**	**115,353,676**
Purchase	-	9,605,029	9,605,029
Disposals			
At 31 March 2013	**109,200**	**124,849,505**	**124,958,705**
Amortization			
At 1 April 2011	52,038	26,158,732	26,210,770
Charge for the year	10,920	14,462,481	14,473,401
At 31 March 2012	62,958	40,621,213	40,684,171
Charge for the year	10,920	19,272,446	19,283,366
Disposals		(496,482)	(496,482)
At 31 March 2013	73,878	59,397,177	59,471,055
Net Block			
At 31 March 2012	46,242	74,623,263	74,669,505
At 31 March 2013	35,322	65,452,328	65,487,650

(in ₹)

13. Non-current investments	**31st March 2013**	**31st March 2012**
	Unquoted	**Unquoted**
Non-trade investments (valued at cost unless stated otherwise)		
Government and trust securities (unquoted)		
National Savings Certificate (Pledged with APMC)	305,000	282,000
Total	**305,000**	**282,000**
Aggregate amount of unquoted investments	**305,000**	**282,000**
14. Long-term loans and advances		
Unsecured considered good unless otherwise stated		
Capital advances		
Unsecured, considered good	165,382,958	148,175,672
	165,382,958	**148,175,672**
Security deposits		
Unsecured, considered good	13,630,763	8,256,629
	13,630,763	**8,256,629**
Advance recoverable in cash or kind		
Unsecured, considered good	227,912	3,594,479
	227,912	3,594,479
Other Loans and advances		
Prepaid Expenses	110,369	-
Total	**179,352,002**	**160,026,780**
15. Other non-current assets		
Unsecured, considered good unless stated otherwise		
Deposits with original maturity for more than 12 months (refer note 19)	27,024,459	1,735,000
	27,024,459	**1,735,000**
Interest accrued on deposits	1,232,329	578,166
Interest accrued on investments	52,479	54,313
	1,284,808	**632,479**
Total	**28,309,267**	**2,367,479**

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(in ₹)

16.	Current investments	31st March 2013	31st March 2012
	Current Investments (Valued at lower of cost and fair value, unless stated otherwise)		
	unquoted government or trust securities		
	National saving certificate (Pledged with APMC)	75,000	25,000
	Unquoted Mutual Funds		
	Nil (previous year:3268.827) units of ₹ 1000 each fully paid-up of Religare Mutual Fund	-	3,274,015
		75,000	**3,299,015**
	Aggregate amount of unquoted investments	**75,000**	**3,299,015**
17.	**Inventories (valued at lower of cost and net realizable value)**		
	Traded goods (refer note 24a)	2,516,166,210	1,349,472,361
	Stores and spares	27,154,479	36,138,013
	Total	**2,543,320,689**	**1,385,610,374**
18.	**Trade receivables**		
	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Unsecured, considered good	1,305,952	71,809,434
	Doubtful	51,517,497	65,049,936
		52,823,449	**136,859,370**
	Less: Provision for doubtful trade receivables	51,517,497	65,049,936
		1,305,952	**71,809,434**
	Other Trade receivables		
	Unsecured, considered good	662,600,344	254,839,844
		662,600,344	**254,839,844**
	Total	**663,906,296**	**326,649,278**

(in ₹)

19.	Cash and bank balances	Non Current		Current	
		31 March, 2013	31 March, 2012	31 March, 2013	31 March, 2012
	Cash and cash equivalents				
	Balances with banks				
	In current accounts			19,383,382	69,458,875
	In other deposit accounts original maturity of 3 months or less			23,500,000	2,972,130
	Cheques, drafts on hand			14,152,288	9,603,701
	Cash on hand			20,428	36,776
		-	**-**	**57,056,098**	**82,071,482**
	Other bank balances				
	In other deposit accounts				
	- original maturity more than 3 months but less than 12 months	-	-	25,400,000	2,151,913
	- original maturity morethan 12 months	27,024,459	1,735,000	-	-
	Total - Other bank balances	**27,024,459**	**1,735,000**	**25,400,000**	**2,151,913**
	Amount disclosed under non current assets(refer note 15)	(27,024,459)	(1,735,000)		
	Total Cash and bank balances	**-**	**-**	**82,456,098**	**84,223,395**

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(in ₹)

		31st March 2013	31st March 2012
20.	**Short-term loans and advances**		
	Unsecured, considered good unless stated otherwise		
	Security deposits	4,835,684	9,242,772
	Others (Advance recoverable in cash or kind)		
	Unsecured, considered good	46,304,454	14,476,579
		46,304,454	**14,476,579**
	Less: Provision for other doubtful loans and advances	-	2,940,687
		46,304,454	**11,535,892**
	Other Loans and advances		
	Loans and advances to employees	2,851,134	3,175,855
	Prepaid expenses	20,122,570	9,277,736
	Balances with government authorities	13,543,347	10,304,617
	MAT Credit entitlement	3,144,895	9,820,000
	Advance income-tax (net of provision for taxation)	126,666,382	151,685,772
	Total	**217,468,466**	**205,042,644**
21.	**Other current assets**		
	Unsecured, considered good unless stated otherwise		
	Accrued Income	49,000,305	30,606,867
	Others		
	Interest accrued on deposits	515,614	-
	Interest accrued on investments	39,050	12,019
	Total	**49,554,969**	**30,618,886**
22.	**Revenue from operations**		
	Revenue from operations		
	Sale of products		
	Traded goods	6,102,404,635	2,398,015,889
	Less : Cost of goods sold (refer note 24)	(5,988,618,440)	(2,363,682,655)
		113,786,195	34,333,234
	Sale of services (refer note "a" below)	1,449,092,858	1,192,330,083
	Revenue from operations	**1,562,879,053**	**1,226,663,317**
	Note:		
	a. **Details of services rendered**		
	Warehousing & Storage services	1,069,393,661	899,259,432
	Fumigation Income	143,663,709	142,004,510
	Commodity handling charges	219,926,714	140,488,409
	Others	16,108,774	10,577,732
		1,449,092,858	**1,192,330,083**
23.	**Other income**		
	Other Income		
	Interest income (refer note a below)	10,844,389	3,976,459
	Dividend income from curent investments	42,546	221,393
	Net gain on sale of current investments	436	-
	Other non-operating income (refer note b below)	25,829,829	8,142,710
	Total	**36,717,200**	**12,340,562**

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(in ₹)

		31st March 2013	31st March 2012
	Note :		
	a: Interest income		
	Interest from banks on deposits	5,325,369	525,449
	Interest on loans and advances	22,714	47,265
	Interest income from long-term investments -NSC	25,197	26,867
	Interest on income tax refund	5,471,109	3,376,878
	Total - Interest income	**10,844,389**	**3,976,459**
	b: Other non-operating income		
	Rental income from operating leases	469,062	176,716
	Profit on sale of fixed assets	4,999	-
	Provisions written back/no longer required	19,963,337	2,821,204
	Miscellaneous income	5,392,431	5,144,790
	Total - Other non-operating income	**25,829,829**	**8,142,710**
24.a	**(Increase) / decrease in inventories**		
	Inventories at the end of the year:		
	Traded goods	2,516,166,209	1,348,093,030
	Packing Material	-	1,379,332
		2,516,166,209	**1,349,472,362**
	Inventories at the beginning of the year:		
	Traded goods	1,348,093,030	1,467,986,952
	Packing Material	1,379,332	468,124
		1,349,472,362	**1,468,455,076**
	Net (increase) / decrease	**(1,166,693,847)**	**118,982,714**
24.b	**Details of purchase of traded goods**		
	Traded goods	7,155,312,287	2,244,699,941
	Total	**7,155,312,287**	**2,244,699,941**
	Details of Purchase of traded goods		
	Almonds	39,988,600	21,488,000
	Black Gram	10,554,570	57,915,900
	Bajra	33,847,331	-
	Barley	235,889,288	-
	Cardamom	231,480,682	760,000
	Castor Seed	174,576,101	-
	Chana	359,894,931	448,408,734
	Chick peas	719,334,842	-
	Cloves	21,651,550	31,462,875
	Corriander	-	12,809,132
	Cotton	233,926,733	489,946,780
	Cotton Bales	1,071,906,169	14,875,653
	Cottonseed oil cake	149,454,212	
	Ginned Cotton	-	870,523
	IRON	140,615,821	-
	Iron Ore	20,248,064	-
	Iron Scrap	25,070,593	-
	Fertilizer complex NPK	16,739,995	-
	Guar Seed	201,262,366	-
	Maize	93,689,411	107,102,618

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(in ₹)

		31st March 2013	31st March 2012
	Mentha	-	729,000
	Mustard	-	73,758,687
	Masoor	33,313,998	-
	Mild Steel billets	9,336,597	-
	Paddy	446,136,685	4,379,804
	Poppy Seed	71,353,000	15,750,000
	Pista	44,978,400	
	Rice	123,000	-
	Soyabean	845,505,459	101,454,351
	Sugar	169,693,764	124,643,665
	Wheat	113,925,123	491,020,159
	Yellow Peas	1,477,974,408	171,621,539
	Packing Material	1,685,902	911,206
	Others	7,908,045	3,479
	Sponge iron	7,811,236	-
	Steel plate	55,296,064	-
	Toluene	74,274,147	-
	Red Gram(Toor)	15,865,200	-
	Discount / Premium	-	74,787,836
		7,155,312,287	**2,244,699,941**
25.	**Employee benefits expense**		
	Salaries and wages	217,257,704	247,959,789
	Director's Remuneration	9,228,239	11,041,416
	Contributions to provident fund	11,572,881	12,846,285
	Gratuity Expenses (refer note 30)	2,655,191	4,823,620
	Leave Encashment Expenses	2,227,204	4,936,251
	Staff welfare expenses	9,650,726	11,682,985
	Total	**252,591,945**	**293,290,346**
26.	**Operating and Other expenses**		
	Consumption of stores and spare parts	65,934,670	61,276,182
	Power and fuel	7,254,781	6,822,810
	Rent and service charges	445,355,693	393,258,512
	Repairs and maintenance		
	- Buildings	1,313,413	-
	- Others	4,057,644	3,212,160
	Insurance charges	27,179,306	16,920,751
	Contract labour charges	101,284,633	74,607,195
	Security charges	45,542,716	48,854,070
	Handling & transportation	31,350,933	8,252,493
	Rates and taxes	2,579,478	1,184,388
	Communication expenses	13,217,680	14,206,881
	Travelling and conveyance	28,609,530	29,943,365
	Printing and stationery	4,050,657	4,253,788
	Legal and professional	29,358,672	18,888,944
	Payments to auditors (refer note below)	2,028,547	2,680,870
	Bad Debts and advances written off	82,272,579	30,156,414
	Brokerage and Commission expenses	4,308,960	5,130,548
	License Fees	4,094,575	7,009,157

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(in ₹)

		31st March 2013	31st March 2012
	Net loss/(gain) on foreign currency transactions and translation	3,559,655	(75,180)
	Loss on fixed assets sold / scrapped / written off	1,409,304	2,949,798
	Provision for doubtful debts and trade receivables	5,000,021	5,440,686
	Miscellaneous expenses	36,991,780	32,100,668
	(includes lab and testing charges, shifting expenses , office expenses, fumigation consumables etc.)		
	Total	**946,755,226**	**767,074,499**
	Payment to auditor		
	(a) To statutory auditors		
	For audit	1,400,000	1,462,994
	For taxation matters	293,500	191,000
	For other services	275,743	1,026,876
	Reimbursement of expenses	59,304	-
	Total	**2,028,547**	**2,680,870**
27.	**Depreciation and amortisation expense**		
	Depreciation and amortisation for the year on tangible assets (refer note 12 A)	18,059,631	15,264,214
	Amortisation for the year on consumables	13,039,419	12,005,455
	Amortisation for the year on intangible assets (refer note 12 B)	19,283,367	14,473,401
		50,382,417	**41,743,070**
28.	**Finance costs**		
	Interest expense on :		
	borrowings	153,580,413	82,652,587
	Others	307,278	1,168,681
	Bank Charges	4,253,705	3,789,771
	Total	**158,141,396**	**87,611,039**
29.	**Earning per share(EPS)**		
	Total Operation for the year		
	Profit after tax	145,011,464	32,152,421
	Less: Dividend on convertible preference shares & tax thereon	-	-
	Net profit for calculation of basic EPS	**145,011,464**	**32,152,421**
	Add: Dividend on convertible preference shares & tax thereon	-	-
	Add: Interest on bonds convertible into equity shares & tax thereon	-	-
	Net profit for calculation of diluted EPS	**145,011,464**	**32,152,421**
	Weighted average number of equity shares in calculating basic EPS	82,000,000	82,000,000
	Weighted average number of equity shares in calculating basic EPS	**82,000,000**	**82,000,000**
	Earning per share basic and diluted	1.77	0.39
	Nominal value per share	10/-	10/-

30. Gratuity and other post-employment benefit plans

The company operates defined gratuity plan ,for its employees. Under the gratuity plan, every employee who has completed atleast five year of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

NOTES
TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

(in ₹)

	Gratuity	
	31st March 2013	31st March 2012
Current service cost	3,516,599	3,195,135
Interest cost on benefit obligation	966,787	566,044
Expected return on plan assets	(971,122)	(712,576)
Net actuarial (gain)/loss recognized in the year	(857,074)	1,775,017
Net benefit expense	**2,655,190**	**4,823,620**
Actual return on plan assets	**108,513**	**721,606**
Balance sheet		
Benefit asset/liability		
Present value of defined benefit obligation	(13,321,252)	(11,048,992)
Fair Value of plan assets	11,980,534	11,292,111
Plan asset/(liability)	**(1,340,718)**	**243,119**
Changes in the present value of the defined benefit obligation are as follows :		
Opening defined benefit obligation	11,048,993	6,861,145
Current service cost	3,516,599	3,195,135
interest cost	966,787	566,044
Benefits paid	(1,462,566)	(1,357,378)
Actuarial(gains)/losses on obligation	(748,561)	1,784,046
Closing defined benefit obligation	**13,321,252**	**11,048,992**

Changes in the fair value of plan assets are as follows:

(in ₹)

	31st March 2013	31st March 2012
Opening fair value of plan assets	11,292,111	8,637,286
Expected return	971,122	712,576
Contribution by employee	1,210,297	3,290,597
Transfer to Other Company	(138,943)	
Benefits paid	(1,462,566)	(1,357,378)
Actuarial gains/(losses) on obligation	108,513	9,030
Closing fair value of plan assets	**11,980,534**	**11,292,111**
The company expects to contribute ₹ 5,099,382 to gratuity in next year (31 March 2012: ₹ 1,019,752)		

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(in ₹)

	Gratuity	
	31st March 2013	31st March 2012
Investment with Insurer	100%	100%
The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the company plan's are shown below :		
Discount rate	8.25%	8.75%
Expected value of return on assets	8.70%	8.75%
Employee turnover	For 0 yrs to 4 yrs 6% p.a.	For 0 yrs to 5 yrs 6% p.a.
	5 yrs & above 2% p.a.	6 yrs & above 2% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation,seniority,promotion and other relevant factors, such as supply and demand in the employment market

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation us to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Amounts for the current and previous four periods are as follows:

(in ₹)

	31st March 2013	31st March 2012	31st March 2011	31st March 2010	31st March 2009
Gratuity					
Defined benefit obligation	13,321,252	11,048,992	6,861,145	5,280,827	4,141,051
Plan assets	11,980,534	11,292,111	8,637,286	7,171,656	1,973,661
Deficit / (Surplus)	1,340,718	(243,119)	(1,776,141)	(1,890,829)	2,167,390
Experience adjustments on plan liabilities	(1,464,766)	2,336,496	248,291	363,833	-
Experience adjustments on plan assets	108,513	9,030	189,284	-	-

31.	Segment information	Year ended 31 March 2013 Procurement	 Storage & allied services	 Trade facilitation	 TOTAL
	Revenue				
	External sales	-		113,786,195	113,786,195
	External services	-	1,229,166,144	219,926,714	1,449,092,858
	Inter segement sales	-	-	-	-
	Total Revenue		**1,229,166,144**	**333,712,909**	**1,562,879,053**
	Results				
	Segment results	(9,652,550)	250,384,000	120,250,094	360,981,544
	Unallocated expenses				(205,666,197)
	Operating profit				**155,315,347**
	Finance costs				(307,278)
	Other income including finance income				36,717,200
	Exceptional items				-
	Profit before tax				**191,725,269**
	Income taxes				46,713,805
	Net profit				**145,011,465**
	As at 31 March 2013				
	Segment assets	32,694,120	755,208,163	2,958,626,142	3,746,528,425
	Unallocated assets				413,087,395
	Total assets	**32,694,120**	**755,208,163**	**2,958,626,142**	**4,159,615,820**
	Segment liabilities		212,486,401	2,650,390,738	2,862,877,139
	Unallocated liabilities				1,296,738,681
	Total liabilities		**212,486,401**	**2,650,390,738**	**4,159,615,820**

31.	Segment information	Year ended 31 March 2012 Procurement	 Storage & allied services	 Trade facilitation	 TOTAL
	Revenue				
	External sales	-	-	34,333,234	34,333,234
	External services	-	1,051,841,674	140,488,409	1,192,330,083
	Inter segement sales	-	-	-	-
	Total Revenue	**-**	**1,051,841,674**	**174,821,643**	**1,226,663,317**
	Results				
	Segment results	-	134,511,334	73,667,026	208,178,360
	Unallocated expenses				(170,140,496)
	Operating profit				**38,037,864**
	Finance costs				(1,168,681)
	Other income including finance income				12,415,742
	Exceptional items				-
	Profit before tax				**49,284,925**
	Income taxes				(17,132,504)
	Net profit				**32,152,421**
	As at 31 March 2012				
	Segment assets	42,346,670	731,725,778	1,485,025,667	2,259,098,115
	Unallocated assets				380,020,594
	Total assets	**42,346,670**	**731,725,778**	**1,485,025,667**	**2,639,118,709**
	Segment liabilities	-	89,177,152	1,252,556,660	1,341,733,812
	Unallocated liabilities				168,694,608
	Total liabilities	**-**	**89,177,152**	**1,252,556,660**	**1,510,428,420**

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Related party disclosures

Names of related parties and related party relationship

Related parties where control exists

Holding company	Financial Technologies India Limited
Ultimate holding company	Financial Technologies India Limited
Subsidiaries	Nil

Related parties with whom transactions have taken place during the year

Fellow subsidiaries	National Spot Exchange Limited Tickerplant Limited Takshashila Academia of Economic Research Limited. Apian Finance and Investments Limited Atom Technologies Limited. FT Knowledge Management Company Ltd. Tickerplant Infovending Limited
Associates	Nil
Jointly controlled entity	Nil
Key management personnel	Mr. Anil Choudhary (MD & CEO)
Relatives of key management personnel	Nil
Enterprises owned or significantly influenced by key management personnel or their relatives	Nil

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Sale/purchase of goods and services

Particulars	Year ended	Sale of services	Sale of Fixed Assets	Purchase of services	Reimbursement of Expenses paid	Reimbursement of Expenses received	Purchase of Goods	Purchase of Fixed Assets	Amount owed by related parties*	Amount owed to related parties*
Holding and ultimate holding companies										
Holding Company										
Financial Technologies India Limited	**31-Mar-13**	**-**	**23,985**	**15,844,085**	**11,737,088**	**384,800**	**-**	**4,854,298**	**-**	**-**
	31-Mar-12	258,358	7,426	22,722,637	427,380	-	11,360,730	11,360,730	-	-
Associates and jointly controlled entities										
National Spot Exchange Limited	**31-Mar-13**	**1,197,099**	**-**	**-**	**-**	**93,717**	**798,372**	**-**	**-**	**-**
	31-Mar-12	74,338	-	59,207	-	-	-	-	10,001	-
Tickerplant Limited	**31-Mar-13**	**-**		**189,673**	**-**	**18,605**	**-**	**-**	**-**	**-**
	31-Mar-12	33,660		222,060	-	-	-	-	-	-
Takshashila Academia of Economic Research Limited.	**31-Mar-13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31-Mar-12	-	-	150,000	-	-	-	-	-	-
Apian Finance and Investments Limited	**31-Mar-13**	**-**	**-**	**-**	**136,289**	**3,522**				
	31-Mar-12	-	-	5,118	115,736	-			-	-
Atom Technologies Limited.	**31-Mar-13**	**-**	**-**		**20,695**		**-**	**6,084**		
	31-Mar-12	744	-	-	-			-	-	-
FT Knowledge Management Company Ltd.	**31-Mar-13**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
	31-Mar-12	-	-	-	-	-	-	-	-	-
Tickerplant Infovending Limited	**31-Mar-13**	**-**	**-**	**-**	**-**	**37,274**	**-**	**-**	**-**	**-**
	31-Mar-12	-	-	-	-	-	-	-	-	-
		1,197,099	**23,985**	**16,033,758**	**11,894,072**	**537,918**	**798,372**	**4,860,382**	**-**	**-**
		367,100	7,426	23,159,022	543,116	-	11,360,730	11,360,730	10,001	-

* The amounts are classified as trade receivables and trade payables, respectively.

* The amounts are classified as trade receivables and trade payables, respectively.

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

b. Loans given and repayment thereof

Particulars	Year ended	Loans given	Repayment	Interest accrued	Amount owed by related parties
Enterprises owned or significantly influenced by key management personnel or their relatives		NIL	NIL	NIL	NIL

c. Loans taken and repayment thereof

Particulars	Year ended	Loans given	Repayment	Interest accrued	Amount owed by related parties
Holding company					
Financial Technologies India Limited	**31 March 2013**	**-**	**-**	**-**	**-**
	31 March 2012	-	-	-	-
Loans taken from related parties are interest free and repayable on demand.					

d. Remuneration to key managerial personnel

Particulars	31st March 2013 ₹	31st March 2012 ₹
Mr. Anil K. Choudhary, Managing Director & CEO		
Salary, bonus and contribution to PF	8,905,478	10,738,018
Reimbursement of other expenses	322,761	303,398
ESOP cost	-	-
Total	**9,228,239**	**11,041,416**

Note : Related party relationship are as identified by the company and relied upon by the auditior

(in ₹)

33. Capital and other commitments	31st March 2013	31st March 2012
Estimated value of contracts in capital account relating to the completion of warehousing projects	59,487,771	7,690,719
	59,487,771	**7,690,719**

34. Contingent liabilities		
Claims against the company not acknowledged as debts*	56,800,000	34,596,451
Bank guarantees**	6,500,000	4,250,000
Income Tax	-	4,480,943
	63,300,000	**43,327,394**

* The claims against the company comprise :

Company has lodged the eight insurance claims for ₹ 3.83 cr. under its fidelity, buglary and STFI policies . In all these cases company has taken all necessary steps and believes that the claims are fully covered under the said policies. Six cases has been filed against the Company for claim of ₹ 1.85 Cr. In all these cases, Company has sufficient legal recourse to safe guard its interest.

**The company has issued a counter indemnity to Bank for the bank guarantees issued by bank to various mandi and tax authorities.

35. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(in ₹)

	31st March 2013	31st March 2012
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	2,504,342	1,469,305
Interest due on above	-	-
Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006	**2,504,342**	**1,469,305**

NOTES

TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(in ₹)

		31st March 2013	31st March 2012
36.	**Earnings in foreign currency (accrual basis)**		
	Exports of traded goods at F.O.B. Value	306,757,146	15,963,460
		306,757,146	**15,963,460**
37.	**Expenditure in foreign currency (accrual basis)**		
	Interest to Bank	1,733,561	-
	Brokerage	136,118	-
	Membership & Testing Fees	223,999	172,318
		2,093,678	**172,318**

38. Derivative instruments outstanding as at the balance sheet date

Nature of contract	Foreign Currency	Loan amount in foreign currency	
		31 March 2013	31 March 2012
Forward Foreign Exchange Contract	USD	**1,885,436.83**	-

39. Lease

Operating lease: Company as lessee;

The company has entered into commercial leases on certain warehouses and offices. These leases have an average life of between one to five years with renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals payable under non -cancellable operating leases are as follows;

(in ₹)

	31st March 2013	31st March 2012
Within one year	58,507,609	45,926,354
After one year but not more than five years	123,486,229	114,029,308
More than five years	11,163,616	17,082,627
	193,157,454	**77,038,289**

40. The Company had paid ₹ 9,83,75,000/- as advance against purchase of land and warehouse at Bundi, Rajasthan to Kotak Bank, during the financial year 2011-12, which is pending for transfer in the name of the company and amount is shown under the head “Long term loans and advances” as capital advances.

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 14th May 2013

For and on behalf of the Board.
National Bulk Handling Corporation Limited

Anil K Choudhary
Managing Director & CEO

Paras Ajmera
Director

Rakesh Garg
Company Secretary

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Seventh Annual Report together with the audited accounts of your Company for the year ended 31st March, 2013.

1. **FINANCIAL RESULTS AND OPERATIONS:**

The performance of the Company for the financial year ended 31st March, 2013 is summarized below:

(in ₹)

Particulars	2012-13	2011-12
Total Income	7,71,045	6,56,000
Total Expenditure	47,826	76,967
Profit/ (Loss) before Tax	7,23,219	5,79,033
Provision for Tax	-	-
Profit/ (Loss) after Tax	7,23,219	5,79,033
Balance carried to Balance Sheet	14,79,940	7,56,721

Your Company mainly focuses on the business of providing a secure electronic payment highway for bankcard transactions, merchant acquisition & servicing.

During the year under review, the total revenue of your Company was Rs. 7,71,045/- as compared to Rs. 6,56,000/- during the previous year. The Company has earned a Net Profit of Rs. 7,23,219/- as compared to Rs. 5,79,033/- during the previous year.

2. **DIVIDEND:**

In order to conserve resources, your Directors do not recommend any dividend for the year under review.

3. **TRANSFER TO RESERVES:**

No amount was transferred to Statutory Reserves during the year under review.

4. **SHARE CAPITAL:**

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. The Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. **FIXED DEPOSITS:**

The Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

6. **DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Dewang Neralla, Director of your Company, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends appointment of Mr. Dewang Neralla in the ensuing Annual General Meeting.

Other Directors of your Company continue to be on the Board of your Company.

7. **AUDITORS:**

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

8. **AUDITORS REPORT:**

The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

9. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Your Company does not have manufacturing activities and therefore the information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988, is not furnished. Your Company endeavors to carry out In-House R & D activities.

DIRECTORS' REPORT

During the year under review there was no Foreign Exchange earnings and outgo.

Your Company has not exported any product during the year under review and does not foresee any future export activity, in case the opportunity arises the Board shall take the necessary steps in this regard.

10. PARTICULARS OF EMPLOYEES:

None of the employees of your Company are in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975; hence no such particulars are annexed.

11. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2012- 13 and of the profit of the Company for that period;

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

12. COMPLIANCE CERTIFICATE:

In accordance with the provisions of Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules 2001, your Company has obtained a certificate from a Practicing Company Secretary and a copy of the said certificate is attached to this Report.

13. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, bankers and the employees and look forward to their continues support.

For and on behalf of the Board of Directors

Place: Mumbai	**Dewang Neralla**	**Devendra Agrawal**
Date: 27.05.2013	Director	Director

CS ABDUL KARIM KAZI
Practicing Company Secretary
Room No.2, 1st Floor, House No.2,
Near Little Flower High School,
Kamgar Road, Andheri (East),
Mumbai - 400 069
e-mail: proagile@pcsllp.com
Tel no: 022- 26846786

CIN : U72900MH2007PLC168354
Paid up Capital : Rs.1,00,00,000

COMPLIANCE CERTIFICATE

To
The Board of Directors,
Global Payment Networks Limited
1st Floor, Malkani Chambers,
Off Nehru Road,
Vile Parle (E),
Mumbai- 400099.

I have examined all the relevant books, registers, forms, documents and papers of Global Payment Networks Limited (the Company) as required to be maintained under the Companies Act, 1956, (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company, for the purpose of issuing a Secretarial Compliance Certificate under section 383A of the Act, read with the Companies (Compliance Certificate) Rules, 2001 (The Rules) for the financial year 1st April 2012 upto 31st March 2013.

Based on such examination as well as information and explanations furnished to me, which to the best of my knowledge and belief were necessary for the purposes of my certification, I hereby certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has duly filed the forms and returns except as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. However, no forms or returns were filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met 4(Four) times respectively on 28th May 2012, 10th July 2012, 5th October 2012 and 28th March 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. The Company has not passed any board resolution by circulation.
5. The Company has not closed its Register of Members during the year.
6. The Annual General meeting for the financial year ended on 31st March 2012 was held on 21st August 2012 after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the year.
8. The Company has not advanced any loans to it directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries that need to be made in the register maintained under section 301 of the Act.
11. The Company did not seek any approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act, during the year.
12. The Company has not issued any duplicate share certificates during the year.
13. The Company has / was :
    (i) not made allotment of securities, however has delivered all share certificate on lodgement thereof for transfer in accordance with the provisions of the Act during the year;

(ii) not deposited any amount in a separate bank account as no dividend was declared during the year;

(iii) not required to post warrants to any members of the Company as no Dividend was declared during the year;

(iv) no amounts lying in the credit of any account, which is required to be transferred to Investor Education and Protection Fund;

(v) duly complied with the requirements pertaining to Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted.

15. The Company was not required to appoint any Managing Director / Wholetime Director / Manager during the year.

16. The Company has not appointed any sole-selling agents during the year.

17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year.

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The Company has not issued any equity shares, debentures or other securities during the year.

20. The Company has not bought back any shares during the year.

21. There was no redemption of preference shares or debentures during the year.

22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the year.

24. The company has not made any borrowings during the year.

25. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose. The Company has made investment in Mutual Funds during the year in compliance with the provisions of the Act.

26. The Company has not altered the provisions of the memorandum with respect to the situation of the Company's registered office during the year.

27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year.

28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year.

29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year.

30. The Company has altered its Articles of Association after obtaining approval of the members in the general meeting held on 21st August 2012 and the amendments to the Articles of Association have been registered with the Registrar of the companies during the year.

31. There was no prosecution initiated against or show cause notices received by the Company, during the year, for offences under the Act, as informed to us.

32. As explained to us, the Company has not received any money as security from its employees during the year.

33. As explained to us, the Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

Place : Mumbai

Date : 27th May 2013

CS Abdul Karim Kazi

Practicing Company Secretary

CP No.: 9538

Annexure – A

Registers as maintained by the Company

1. Register of Members u/s 150 of the Act;
2. Register of Directors u/s 303 of the Act;
3. Register of Directors' shareholding u/s 307 of the Act;
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299 and 301 of the Act;
5. Minutes of the General Meetings and Board Meetings u/s 193 of the Act;
6. Attendance Registers of Board and General Body meetings.

Annexure – B

Sr. No	eform No.	Under Sec.	Date of filing with ROC	SRN No	Particulars
1	66	383A	18.09.2012	P88970769	Compliance Certificate for year ended 31st March 2012
2	23	192	20.09.2012	B57968042	Alteration of Articles in AGM held on 21st August 2012
3	20B	159	28.09.2012	P89133912	Annual Return for the AGM held on 23rd August 2012
4	22B	187C (4)	15.11.2012	B61796785	Change in beneficial interest of Shareholder as on 5th October 2012
5	23AC & ACA	220	13.12.2012	Q04340105	Annual Accounts in XBRL format for the year ended 31st March 2012

Place : Mumbai

Date : 27th May 2013

CS Abdul Karim Kazi

Practicing Company Secretary

CP No.: 9538

ADDENDUM TO THE DIRECTORS' REPORT

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 27th May 2013 shall now be read as under:

7. Auditors:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 27th May 2013.

For and on behalf of the Board of Directors

Place: Mumbai	**Dewang Neralla**	**Devendra Agrawal**
Date: 26.08.2013	Director	Director

INDEPENDENT AUDITOR'S REPORT

To,

THE MEMBERS OF
GLOBAL PAYMENT NETWORKS LIMITED

Report on the Financial Statement

We have audited the accompanying financial statements of GLOBAL PAYMENT NETWORKS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For MUKESH P. SHAH & CO.
Chartered Accountants
Firm Registration No: 121719W

KETAN M. SHAH
Partner
Membership No.: 049703

Place: Mumbai
Date: 27.05.2013

INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **GLOBAL PAYMENT NETWORKS LIMITED** on the accounts of the company for the year ended 31st March, 2013

(i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The company has not disposed off any substantial part of fixed assets during the year and accordingly going concern is not affected.

(ii) The Company is a service company; accordingly it does not hold any physical inventories. Hence, Paragraph 4 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted/taken any loan, secured or unsecured to/ from companies , firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transaction carried out during the year , pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956 .Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company.

(vi) The company has not accepted any deposits from the public during the year and hence, the provisions of Paragraph 4 (vi) of the Order is not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209 (1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Provident Fund, Income Tax, Sales Tax, Service-tax and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax and Cess were outstanding, as at March 31, 2013.

(x) The Company's accumulated losses at the end of the financial year are not more than fifty percent of net worth of the Company. The Company has not incurred cash losses during the financial year covered by our audit but had incurred cash losses in the immediately preceding financial year.

(xi) In our opinion and according the information and explanations given to us, the Company has not borrowed any amounts from banks or financial institutions or by issue of debentures and hence, the provision of Paragraph 4 (xii) of the Order is not applicable to the Company.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund / societies.

(xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments. The Company has invested surplus funds in mutual funds. According to the information and explanations given to us proper records have been maintained of the transactions and timely entries have been made therein. The mutual funds have been held by the company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) To the best of knowledge and belief and according to the information and explanations given to us, in our opinion, the Company has not availed any term loans during the year and hence paragraph 4(xvi) of the Order is not applicable the Company.

(xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short term basis used for long term investments.

(xviii) The company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act during the year; hence Paragraph 4 (xviii) of the Order is not applicable to the Company.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of the year.

For MUKESH P. SHAH & CO.
Chartered Accountants
Firm Registration No: 121719W

KETAN M. SHAH
Partner
Membership No.: 049703

Place: Mumbai
Date: 27.05.2013

BALANCE SHEET
as at 31st March, 2013

(in ₹)

Particulars			Note No.	31st March 2013	31st March 2012
Equities & liabilities					
1	**Shareholders' funds**				
	(a)	Share capital	2	10,000,000	10,000,000
	(b)	Reserve and surplus	3	1,479,940	756,721
				11,479,940	**10,756,721**
2	**Current liabilities**				
	(a)	Trade payables	4	25,281	29,780
	(b)	Other current liabilities	5	3,139	2,768
				28,420	**32,548**
				11,508,360	**10,789,269**
Assets					
1	**Non-current assets**				
	(a)	Fixed assets:	6		
		Tangible assets		5,978	9,863
	(b)	Long term loans and advances	7	365,914	340,661
				371,892	**350,524**
2	**Current assets**				
	(a)	Current investments	8	10,994,374	10,253,545
	(b)	Cash and bank balances	9	138,143	180,642
	(c)	Short term loans and advances	10	3,951	4,558
				11,136,468	**10,438,745**
				11,508,360	**10,789,269**
Summary of significant accounting policies			1		
The notes referred to above form an integral part of the financial statement.					

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Ketan M. Shah
Partner
Membership No. : 049703

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 27.05.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(in ₹)

Particulars		Note No.	31st March, 2013	31st March, 2012
Continuing operation				
(I)	**Revenue**			
	Other income	11	771,045	656,000
	Total revenue (I)		**771,045**	**656,000**
(II)	**Expenses**			
	(i) Employee benefit expenses	12	216	271
	(ii) Other expenses	13	43,725	68,239
	Total expenses (II)		**43,941**	**68,510**
(III)	**Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)**		727,104	587,490
	Depreciation and amortization	14	3,885	3,885
	Finance cost	15	-	4,572
(IV)	**Profit before tax**		**723,219**	**579,033**
	Tax expense			
	- Current tax		-	-
(V)	**Total tax expensed from continuing operation**		-	-
(VI)	**Profit for the year**		**723,219**	**579,033**
(VII)	**Earnings per share**	17		
	Basic		0.72	0.58
	Diluted		0.72	0.58
	Face value per share		10/-	10/-
	Summary of significant accounting policies	1		
The notes referred to above form an integral part of the financial statement.				

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Ketan M. Shah
Partner
Membership No. : 049703

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 27.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

Particulars		31st March 2013		31st March 2012	
A.	**Cash flow from operating activities**				
	Net profit before tax		723,219		579,033
	Adjustments for:				
	Depreciation	3,885		3,885	
	Dividend from investments	(740,830)		(632,500)	
	Net gain on sale of current investment	-		(118)	
	Interest expenses	-		4,572	
			(736,945)		**(624,161)**
	Operating loss before working capital changes		(13,726)		(45,128)
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Short term loans and advances	607		2,649	
	Long term loans and advances	(25,253)		(23,382)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	(4,499)		-	
	Other current liabilities	371		(10)	
			(28,774)		(20,744)
	Cash used in operations		**(42,500)**		**(65,872)**
	Less: Taxes paid		-		(41,413)
	Net cash used in operating activities		**(42,500)**		**(107,285)**
B.	**Cash flow from investing activities**				
	Purchase of investments (includes dividend reinvestments)		(11,639,261)		(10,464,722)
	Proceeds from sale of Investments		10,898,432		9,532,104
	Dividend from investments		740,830		632,500
	Net gain on sale of current investment		-		118
	Net cash used in investing activities		**-**		**(300,000)**
C.	**Cash flow from financing activities**				
	Interest expense		-		(4,572)
	Net cash used in financing activities		**-**		**(4,572)**
	Net cash flow during the year		**(42,500)**		**(411,856)**
	Net decrease in cash and cash equivalents		**(42,500)**		**(411,856)**
	Cash and cash equivalents (opening balance)		**180,642**		**592,498**
	Cash and cash equivalents (closing balance)		**138,143**		**180,642**

CASH FLOW STATEMENT

for the year ended 31st March, 2013

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (refer Note 9) with cash and cash equivalent is as follows:

(in ₹)

	31st March 2013	31st March 2012
Bank Balances:		
-in Current Accounts	138,143	180,642
	138,143	**180,642**

2. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) " Cash Flow Statement" issued by The Institute of Chartered Accountants of India.

3. Previous years figures have been regrouped, rearranges, reclassified wherever necessary to correspond with the figures of the current year as required under revised schedule VI.

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Ketan M. Shah
Partner
Membership No. : 049703

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 27.05.2013

NOTES

to financial statements for the year ended 31st March, 2013

1 **Summary of Significant accounting policies**

1.1 **Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or noncurrent as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 **Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 **Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 **Depreciation and amortisation**

Depreciation on tangible assets has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation in respect of assets costing less than Rs. 5,000 each is fully depreciated in the year of capitalisation

1.5 **Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.6 **Tangible fixed assets**

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.7 **Investments**

Investments are classified as current investments and are carried at the lower of cost and quoted/fair value. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.8 **Taxes on income**

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.9 **Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss . If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of historical cost or recoverable amount.

1.10 **Provisions and contingencies**

The Company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

NOTES

to financial statements for the year ended 31st March, 2013

2. Share capital	31st March 2013 Nos.	₹	31st March 2012 Nos.	₹
Authorised:				
Equity shares of ₹10/- each	1,750,000	17,500,000	1,750,000	17,500,000
Preference shares of ₹10/- each	250,000	2,500,000	250,000	2,500,000
	2,000,000	**20,000,000**	**2,000,000**	**20,000,000**
Issued, subscribed and paid up:				
Equity shares of ₹10/- each fully paid	1,000,000	10,000,000	1,000,000	10,000,000
	1,000,000	**10,000,000**	**1,000,000**	**10,000,000**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

	31st March 2013 Nos.	₹	31st March 2012 Nos.	₹
Shares at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	**1,000,000**	**10,000,000**	**1,000,000**	**10,000,000**

The company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.

b) Shares held by holding company

	31st March 2013 Nos.	₹	31st March 2012 Nos.	₹
Financial Technologies (India) Ltd.	1,000,000	10,000,000	1,000,000	10,000,000

c) Details of the shareholders holding more than 5% of the shares in the company

	31st March 2013 Nos.	% holding	31st March 2012 Nos.	% holding
Financial Technologies (India) Ltd.	1,000,000	100	1,000,000	100

(in ₹)

3. Reserves and surplus	31st March 2013	31st March 2012
Surplus in the statement of profit and loss		
Balance as per last financial statements	756,721	177,688
Add :Profit for the year	723,219	579,033
Net surplus in the statement of profit and loss	**1,479,940**	**756,721**
4. Trade payables		
Trade payables	25,281	29,780
(refer note 20 for details of dues to micro and small enterprises)		
	25,281	**29,780**
5. Other liabilities		
Statutory payables		
TDS Payables	3,129	2,758
Statutory-other (PF)	10	10
	3,139	**2,768**

NOTES

to financial statements for the year ended 31st March, 2013

Note 6 : Fixed assets

(in ₹)

Particulars	Gross block				Depreciation / amortisation				Net block	
	Cost as at 01.04.12	Additions	Deletion/ Adjustments	Cost as at 31.03.13	Upto 01.04.12	For the Year	Deletions/ Adjustments	Upto 31.03.13	As at 31.03.13	As at 31.03.12
Tangible assets										
Computer hardware	23,966	-	-	23,966	14,103	3,885	-	17,988	5,978	9,863
	23,966	-	-	23,966	14,103	3,885	-	17,988	5,978	9,863
Total	**23,966**	**-**	**-**	**23,966**	**14,103**	**3,885**	**-**	**17,988**	**5,978**	**9,863**
Previous Year	**23,966**	**-**	**-**	**23,966**	**10,218**	**3,885**	**-**	**14,103**	**9,863**	**13,748**

(in ₹)

		31st March 2013	31st March 2012
7.	**Long-term loans and advances**		
	Other Loan and advances		
	Balances with statutory/government authorities - deposits	365,914	340,661
		365,914	**340,661**
8.	**Current investment**		
	Non trade - current investments		
	Unquoted (lower of cost or market value)		
	-in mutual funds		
	Nil (previous year: 609,720.763) units of Rs.10/- each of Reliance Liquid Fund-Treasury Plan-institutional Option-Daily Dividend Option	-	10,253,545
	643,100.034 (previous year: (Nil) units of Rs.10/- each of Reliance Medium Term Fund - Daily Direct Dividend Plan	10,994,374	-
		10,994,374	**10,253,545**
	Note:		
	1) Aggregate value of unquoted investments	**10,994,374**	**10,253,545**
9.	**Cash and bank balances**		
	Cash and cash equivalents		
	Bank balances:		
	With scheduled banks:		
	- in current account	138,143	180,642
		138,143	**180,642**
10.	**Short term loans and advances**		
	Prepaid expenses	3,707	4,314
	Tax deducted at source (net of provision)	244	244
		3,951	**4,558**
11.	**Other income**		
	Dividend from:		
	- Current investments	740,830	632,500
	Net gain on sale of :		
	- Current investments	-	118
	Miscellaneous income	30,215	23,382
		771,045	**656,000**

NOTES
to financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
12. Employee benefit expenses		
Salaries and allowances (net of recovery)	24	44
(includes Profession tax and Maharastra labour welfare fund)		
Contribution to provident fund and other funds	192	227
	216	**271**
13. Other expenses		
Payment to auditor (refer details below)	34,733	57,908
Insurance expenses	-	840
Legal and professional charges	3,202	500
ROC fees expenses	3,061	1,530
Miscellaneous expenses *	2,729	7,461
*(include bank charges, office expenses etc.)		
	43,725	**68,239**
Details of payment to auditor		
As auditor :		
Audit fee	11,442	11,030
In other capacity	510	
Taxation matters	22,781	46,878
	34,733	**57,908**
14. Depreciation and amortization expense		
Depreciation of tangible assets	3,885	3,885
	3,885	**3,885**
15. Finance cost		
Interest expenses on :		
- others	-	4,572
	-	**4,572**

16: Related party disclosures

(A) Names of related parties and related party relationship :

(i) Company whose control exists (holding company) : Financial Technologies (India) Limited (since incorporation)

(iii) Key management personnel (KMP) : Dewang Neralla (Director)

(iv) There are no transactions carried out between related parties during the year ended 31st March 2013 and during the year ended 31st March 2012.

Note: Related party relationship is as identified by the Company and relied upon by the auditors.

NOTES

to financial statements for the year ended 31st March, 2013

17. Earnings per share (EPS)

(in ₹)

	31st March 2013	31st March 2012
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net profit after tax for calculation of basic EPS	723,219	579,033
Weighted average number of equity shares basic (nos.)	1,000,000	1,000,000
Weighted average number of equity shares diluted (nos.)	1,000,000	1,000,000
Basic earnings per share	0.72	0.58
Diluted earnings per share	0.72	0.58
Nominal value of equity share	10/-	10/-

18. There were no qualified employees at the end of the current and previous year, hence no funding were made during the year and also no actuarial valuation is carried out as per Accounting Standard - 15 " Accounting for retirement benefits in the financial statements of employees". The Company had made annual contributions to the Gratuity-cum-Life Assurance (Cash Accumulation) Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. Balance receivable alongwith accrued inerest lying with LIC is shown as "Other Loans and advances".

19. Contingent liabilities and commitments

(to the extent not provided for)

(in ₹)

		31st March 2013	31st March 2012
a)	Estimated amount of contract to be executed in Capital Account and not provided for (Net of Advances)	NIL	NIL
b)	Contingent liabilities not provided for	NIL	NIL
		NIL	NIL

20. Details of due to micro and small enterprises as defined under the MSMED Act, 2006

(in ₹)

	31st March 2013	31st March 2012
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	**-**

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/ payable etc. have been considered and disclosed on the basis of and to the extent replies to the company's communication received from vendors/ suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

21. The Company's main object is to engage in the business of providing information technology enabled services (ITES) . The company has considered business segment as primary segment. Thus there is only one identified reportable segment.

22. No provision for Income Tax is required to be made in view of the exempt nature of income and deductions available under the provisions of Income Tax Act, 1961

23. Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For and on behalf of the Board.

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 27.05.2013

DIRECTORS' REPORT

To
The Members,
Your Directors are pleased to present the Seventh Annual Report of your Company with the Audited Statement of Accounts for the year ended March 31, 2013.

1. FINANCIAL RESULTS AND OPERATIONS:

The Financial performance of your Company for the year ended March 31, 2013 is summarized below:

(in ₹)

Particulars	2012-2013	2011-2012
Total Income	6,29,87,814	5,61,45,362
Total Expenditure	4,39,87,980	3,40,73,082
Profit before Tax	1,89,99,834	2,20,72,280
Provision for Tax	63,30,997	44,04,683
Profit/ Loss after Tax	1,26,68,838	1,76,67,597
Balance carried to Balance Sheet	2,50,27,330	1,23,58,493

Financial Technologies Communications Limited mainly focuses on, to establish, develop, provide, operate and maintain all types of Telecommunication services including Internet Service Provider (ISP), Data communication and other like forms of communication.

During the year under review, the total revenue of your Company was Rs. 6,29,87,814/- as compared to Rs. 5,61,45,362/- during the previous year, an increase of approx. 11%.

2. DIVIDEND:

In order to conserve resources, your Directors do not recommend any dividend for the year under review.

3. TRANSFER TO RESERVES

No amount is transferred to the Statutory Reserves during the year under review.

4. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain subsidiary of Financial Technologies (India) Limited.

5. FIXED DEPOSITS:

The Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

6. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Hariraj Chouhan - Director of the Company, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends the appointment of Mr. Hariraj Chouhan in the ensuing Annual General Meeting.

7. AUDITORS:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

8. AUDITORS' REPORT:

The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Your Company is committed for adoption of various energy saving methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations and also endeavors to carry out In-House R & D activities. During the year under review, Foreign Exchange earnings and outgo are as follows:

Foreign Exchange earning : Nil (Previous year: Nil)

Foreign Exchange outgo : Rs.1,35,938/- (Previous year: 97,242/-)

There were no exports during the year. Company has not exported any product during the year under review and does not foresee any future export activity, in case the opportunity arises the Board shall take the necessary steps in this regard.

DIRECTORS' REPORT

10. PARTICULAR OF EMPLOYEES:

None of the employees of your Company are in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975; hence no such particulars are annexed.

11. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

a. In preparation of annual accounts for the year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2012-13 and the Profit made by the Company for that period;

c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Annual Accounts of the Company have prepared on a going concern basis.

12. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Dewang Neralla	**Hariraj Chouhan**
Director	Director

Place: Mumbai
Date: 27.05.2013

ADDENDUM TO THE DIRECTORS' REPORT

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 27th May 2013 shall now be read as under:

7. AUDITORS:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 27th May 2013.

For and on behalf of the Board of Directors

Dewang Neralla	**Hariraj Chouhan**
Director	Director

Place: Mumbai
Date: 28.08.2013

INDEPENDENT AUDITOR'S REPORT

to the Members of Financial Technologies Communications Limited

REPORT ON THE FINANCIAL STATEMENT

We have audited the accompanying financial statements of FINANCIAL TECHNOLOGIES COMMUNICATIONS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **FINANCIAL TECHNOLOGIES COMMUNICATIONS LIMITED** on the accounts of the company for the year ended 31st March, 2013.

(I) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The company has not disposed off any substantial part of fixed assets during the year and accordingly going concern is not affected.

(ii) The Company is a service company; accordingly it does not hold any physical inventories. Hence, Paragraph 4 (ii) of the Order is not applicable to the Company.

(iii) In The Company has not granted/taken any loan, secured or unsecured to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transactions carried out during the year, pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956. Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company.

(vi) The company has not accepted any deposits from the public during the year and therefore, the provisions of Paragraph 4 (vi) of the Order are not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209 (1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service-tax and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service-tax and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax and Cess were outstanding, as at March 31, 2013.

(x) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.

(xi) In our opinion and according the information and explanations given to us, the Company has not borrowed any amounts from banks or financial institutions or by issue of debentures and hence, the provision of Paragraph 4 (xii) of the Order is not applicable to the Company.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund / societies.

(xiv) According to the information and explanations given to us the Company has not dealt/traded in shares, securities, debentures and other investments during the year. The Company has invested surplus funds in shares and mutual funds. According to the information and explanations given to us proper records have been maintained of the transactions and timely entries have been made therein. The shares and mutual funds have been held by the company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short-term basis used for long term investments.

(xviii) The company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act during the year; hence Paragraph 4 (xviii) of the Order is not applicable to the Company.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

BALANCE SHEET

as at 31st March 2013

(in ₹)

PARTICULARS	Note No.	31st March 2013	31st March 2012
Equities & liabilities			
1 Shareholders' funds			
(a) Share capital	2	500,000	500,000
(b) Reserve and surplus	3	25,027,330	12,358,493
		25,527,330	**12,858,493**
2 Non current liabilities			
Deferred tax liabilities	18	1,045,944	-
		1,045,944	-
3 Current liabilities			
(a) Trade payables	4	8,184,473	99,125
(b) Other current liabilities	5	1,716,551	171,478
		9,901,024	**270,603**
		36,474,298	**13,129,096**
Assets			
1 Non-current assets			
Tangible Fixed Assets	6	4,577,544	4,636,058
		4,577,544	**4,636,058**
2 Current assets			
(a) Current investments	7	28,403,617	4,077,445
(b) Trade receivable	8	112,360	13,557
(c) Cash and bank balances	9	613,966	912,450
(d) Short-term loans and advances	10	2,766,811	3,489,586
		31,896,754	**8,493,038**
		36,474,298	**13,129,096**
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 27.05.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(in ₹)

PARTICULARS	Note No.	31st March 2013	31st March 2012
Continuing operation			
(I) Revenue			
Revenue from operations	11	61,741,417	56,035,037
Other income	12	1,246,397	110,325
Total revenue (I)		**62,987,814**	**56,145,362**
(II) Expenses			
Other expenses	13	42,343,569	31,903,413
Total expenses (II)		**42,343,569**	**31,903,413**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		20,644,245	24,241,949
Depreciation and amortization	14	1,485,198	1,335,883
Finance cost	15	159,213	833,786
(IV) Profit before tax		**18,999,834**	**22,072,280**
Tax expense / (benefit):			
- Current tax		6,071,463	4,524,646
- MAT credit availed relating to prior years		(786,410)	(119,963)
Net current tax expenses		**5,285,053**	**4,404,683**
- Deferred tax expense		1,045,944	-
(V) Total tax expensed from continuing operation		**6,330,997**	**4,404,683**
(VI) Profit for the year		**12,668,838**	**17,667,597**
(VII) Earnings per share	17		
Basic		253.38	353.35
Diluted		253.38	353.35
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 27.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

PARTICULARS	Year Ended 31.03.2013		Year Ended 31.03.2012	
A. Cash flow from operating activities				
Net Profit before tax		**18,999,834**		**22,072,280**
Adjustments for:				
Depreciation	1,485,198		1,335,883	
Net gain on sale of investments	(740)		-	
Dividend from investments	(1,225,433)		(106,258)	
Interest expenses	24,744		745,897	
		283,769		1,975,521
Operating profit before working capital changes		**19,283,603**		**24,047,802**
Changes in working capital				
Adjustments for (increase) / decrease in operating assets				
Trade receivables	(98,803)		(13,557)	
Short-term loans and advances	(996,056)		4,059,251	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	8,085,348		(920,150)	
Other current liabilities	897,401		15,644	
		7,887,890		3,141,188
Cash from operations		**27,171,493**		**27,188,989**
Less: Taxes paid		(2,918,550)		(3,802,026)
Net cash from operating activities		**24,252,943**		**23,386,963**
B. Cash flow from investing activities				
Purchase of fixed assets		(1,426,684)		(476,795)
Purchase of investments		(95,069,277)		(15,106,258)
Sale of Investment		70,743,845		11,028,813
Dividend from investments		1,225,433		106,258
Net cash used in investing activities		**(24,526,683)**		**(4,447,982)**
C. Cash flow from financing activities				
Proceeds from borrowings		-		1,000,000
Repayment of borrowing		-		(21,500,000)
Interest expense		(24,744)		(745,897)
Net cash used in financing activities		**(24,744)**		**(21,245,897)**
Net cash flow during the year (A+B+C)		**(298,484)**		**(2,306,916)**
Net decrease in cash and cash equivalents		**(298,484)**		**(2,306,915)**
Cash and cash equivalents (opening balance)		**912,450**		**3,219,364**
Cash and cash equivalents (closing balance)		**613,966**		**912,450**

CASH FLOW STATEMENT

for the year ended 31st March, 2013 (Contd.)

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (refer note 9) with cash and cash equivalent is as follows:

(in ₹)

	31st March 2013	31st March 2012
Bank Balances:		
- in current accounts	613,966	912,450
Cash and bank balance	**613,966**	**912,450**

2. Purchase of fixed assets are stated inclusive of movements of capital work in progress between the commencement and end of the year and are considered as part of investing activities.
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
4. Previous years figures have been regrouped, rearranges, reclassified wherever necessary to correspond with the figures of the current year as required under revised schedule VI

As per our report of even date attached herewith
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 27.05.2013

NOTES

to financial statements for the year ended 31st March, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Fixed assets

Fixed assets are stated at cost of acquisition or construction and carried at cost of acquisition less accumulated depreciation less impairment loss, if any.

1.5 Depreciation

Depreciation on assets is provided for on straight line method (SLM) at the rates and in the manner prescribed in Schedule –XIV of the Companies Act, 1956.

Depreciation in respect of assets acquired during the year whose actual cost does not exceed Rs.5,000 has been provided at 100%.

Depreciation on assets sold, discarded or demolished during the year is being provided at their rate up to the date in which such assets are sold, discarded or demolished.

1.6 Revenue recognition

Revenue is recognized when no significant uncertainty as to determination or realization exists.

Income from internet telecommunication services is recognized as per the terms of the contract and when the services are provided. Income from services is stated net of service tax wherever applicable.

1.7 Other income

Dividend income is accounted for when the right to receive it is established.

1.8 Investments

Investments are classified as current investments and long term investments . Current investments are carried at the lower of cost and quoted/fair value. Long term investments are valued at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.9 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.10 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) “Accounting for Taxes on Income”. Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

NOTES

to financial statements for the year ended 31st March, 2013

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Minimum Alternative tax (MAT) paid in a year is charged to statement of Profit & Loss Account as current tax. Minimum Alternative tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the the compnay will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Compnay reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Compnay will pay normal Income Tax during the specified period.

1.11 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of historical cost or recoverable amount.

1.12 Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

(in ₹)

2. SHARE CAPITAL	31st March 2013 Nos.	31st March 2013 ₹	31st March 2012 Nos.	31st March 2012 ₹
Authorised:				
Equity shares of ₹10/- each	400,000	4,000,000	400,000	4,000,000
Preference shares of ₹10/- each	100,000	1,000,000	100,000	1,000,000
	500,000	**5,000,000**	**500,000**	**5,000,000**
Issued, subscribed & paid up:				
Equity shares of ₹10/- each fully paid up	50,000	500,000	50,000	500,000
	50,000	**500,000**	**50,000**	**500,000**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

(in ₹)

	31st March 2013 Nos.	31st March 2013 ₹	31st March 2012 Nos.	31st March 2012 ₹
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**50,000**	**500,000**	**50,000**	**500,000**

The company has only one class of equity shares having par value of ₹10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

NOTES
to financial statements for the year ended 31st March, 2013

b) Shares held by holding company

(in ₹)

	31st March 2013		31st March 2012	
	Nos.	₹	Nos.	₹
Financial Technologies (India) Ltd.	**50,000**	**500,000**	50,000	500,000

c) Details of the shareholders holding more than 5% of the shares in the company

(in ₹)

	31st March 2013		31st March 2012	
	Nos.	% holding	Nos.	% holding
Financial Technologies (India) Ltd.	**50,000**	**100**	50,000	100

(in ₹)

	31st March 2013	31st March 2012
3. RESERVES AND SURPLUS		
Surplus /(deficit) in the statement of profit and loss		
Balance as per last financial statements	12,358,493	(5,309,104)
Add : Profit for the year	12,668,838	17,667,597
Net surplus / (deficit) in the statement of profit and loss	**25,027,330**	**12,358,493**
4. TRADE PAYABLES		
Trade payables	8,184,473	99,125
(refer note 20 for details of dues to micro and small enterprises)		
	8,184,473	**99,125**
5. OTHER CURRENT LIABILITIES		
Statutory payables		
TDS payables	1,068,879	171,478
Provision for income tax (net)	647,672	-
	1,716,551	**171,478**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

6. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.2012	Additions	Deletion/ Adjustments	Cost as at 31.03.2013	Upto 01.04.2012	For the Year	Deletions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Computer Hardware	8,479,208	1,426,684	-	9,905,892	3,843,150	1,485,197		5,328,347	4,577,544	4,636,058
Total	8,479,208	1,426,684	-	9,905,892	3,843,150	1,485,197	-	5,328,347	4,577,544	4,636,058
Previous Year	8,002,413	476,795	-	8,479,208	2,507,267	1,335,883	-	3,843,150	4,636,058	5,495,146

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

7.	CURRENT INVESTMENT	31st March 2013	31st March 2012
	Non trade - unquoted		
	-in mutual funds		
	Nil (previous year: 4,070) units of ₹1000/- each of Taurus Ultra Short term Bond Fund Retail Daily Dividend Reinvestment plan	-	4,077,445
	28,350.432 (previous year: Nil) units of ₹1000/- each of Taurus Ultra Short Term Bond Fund - Direct Plan - Super Institutional Daily Divi Reinvestment	28,403,617	-
		28,403,617	**4,077,445**
	Note:		
	1) Aggregate value of unquoted investments	**28,403,617**	**4,077,445**
8.	**TRADE RECEIVABLES**		
	Other trade receivables		
	Secured, considered good	112,360	13,557
	- doubtful	-	-
		112,360	**13,557**
	Less: Provision for doubtful receivables	-	-
		112,360	**13,557**
		112,360	**13,557**
9.	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Bank balances:		
	With scheduled banks:		
	- in current accounts	613,966	912,450
		613,966	**912,450**
10.	**SHORT-TERM LOANS AND ADVANCES**		
	Other loan and advances		
	Prepaid expenses	473,882	464,324
	Balances with statutory/Government Authorities - Deposits	1,397,052	410,553
	Tax deducted at source (net of provisions)	895,877	2,614,708
		2,766,811	**3,489,585**
11.	**REVENUE FROM OPERATIONS**		
	Internet telecommunication service	61,741,417	56,035,037
		61,741,417	**56,035,037**
	Details of services rendered		
	Internet telecommunication service	61,741,417	56,035,037
		61,741,417	**56,035,037**
12.	**OTHER INCOME**		
	Dividend from		
	- Current investments	1,225,433	106,258
	Net gain on sale of investments	740	-
	Interest Received on Income Tax Refund	20,224	-
	Miscellaneous income	-	4,067
		1,246,397	**110,325**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

13. OTHER EXPENSES	31st March 2013	31st March 2012
Payment to auditor (refer details below)	140,510	171,500
License fee	4,172,705	3,250,619
Leased line expenses	23,292,807	21,027,186
Software license fee	2,856,167	2,519,226
Managed service charges	4,321,100	4,012,306
Legal and professional charges	7,359,997	708,332
ROC fees	3,572	510
Insurance expenses	25,969	11,767
Miscellaneous expenses*	170,742	201,967
(*includes Business support ,membership fees etc.)		
	42,343,569	**31,903,413**
Details of payment to auditor		
As auditor:		
Audit fee	40,000	40,000
In other capacity		
Taxation matters	100,000	115,000
other services	510	16,500
	140,510	**171,500**
14. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on tangible assets	1,485,198	1,335,883
	1,485,198	**1,335,883**
15. FINANCE COST		
Interest expense on		
- borrowings (to holding company on unsecured loan)	-	744,573
- others	24,744	1,324
Bank guarantee charges	134,469	87,889
	159,213	**833,786**

NOTES

to financial statements for the year ended 31st March, 2013

16. RELATED PARTY DISCLOSERS

(A) Names of related parties and related party relationship :

(i) Company whose control exists (holding company)	:	Financial Technologies (India) Limited (since incorporation)
(ii) Fellow subsidiaries (with whom transactions are carried out)	:	Tickerplant Limited. Atom Technologies Limited. National Spot Exchange Limited.
(iii) Associates of the holding company (where control exists) (with whom transactions are carried out)	:	Multi Commodity Exchange of India Limited. Indian Energy Exchange Limited.
(iv) Key management personnel (KMP)	:	Dewang Neralla (Director)

B) Related parties transactions:

(in ₹)

	HOLDING COMPANIES		FELLOW SUBSIDIARIES		ASSOCIATE COMPANY OF HOLDING CO. (WHERE CONTROL EXISTS)	
NATURE OF TRANSACTIONS	**31st March 2013**	**31st March 2012**	**31st March 2013**	**31st March 2012**	**31st March 2013**	**31st March 2012**
Managed service charges paid	4,321,100	4,812,306				
Business support charges	-	99,000			-	-
Interest paid.		744,573			-	-
Other reimbursement of expenses						
- Charged by them	134,469	87,888	7,000,000		-	-
Internet telecommunication Service charged to them	5,544,000	5,544,000	19,888,000	15,554,000	26,664,000	26,664,000
Loan taken and repayment thereof						
Opening Balances as at the beginning of the year		20,500,000			-	-
Taken during the year		1,000,000			-	-
Repaid during the year		21,500,000			-	-
Closing balance as as at the end of the year	-	-			-	-
Closing balance						
-Debit					-	-
-Credit	100		7,078,680		-	-

Note: Related party relationship is as identified by the company and relied upon by the auditor.

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

17. EARNINGS PER SHARE (EPS)	31st March 2013	31st March 2012
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net profit after tax for calculation of basic EPS	12,668,838	17,667,597
Weighted average number of equity shares basic (nos.)	50,000	50,000
Weighted average number of equity shares diluted (nos.)	50,000	50,000
Basic earnings per share	253.38	353.35
Diluted earnings per share	253.38	353.35
Nominal value of equity share	10/-	10/-
18. DEFERRED TAX LIABILITY		
Deferred tax liability		
Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,045,944	-
Deferred tax Liability	**1,045,944**	-
19. CONTINGENT LIABILITIES AND COMMITMENTS		
(to the extent not provided for)		
a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
b) Contingent liabilities not provided for	NIL	NIL
	NIL	NIL
20. DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	-
Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006		
21. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Membership fees	135,938	97,242
	135,938	**97,242**

22. The Company is engaged in the business of providing Information Technology Enabled Services (ITES). The Company has considered business segment as Primary Segment. Thus there is only one identified reportable segment.

23. Figures for the previous year have been regrouped / reclassified, whenever necessary

For and on behalf of the Board.

Dewang Neralla	**Hariraj Chouhan**
Director	Director

Place : Mumbai
Date : 27.05.2013

DIRECTORS' REPORT

To,
The Members,
Your Directors are pleased to present the Sixth Annual report of your Company along with the Audited statement of accounts for the year ended on March 31, 2013.

1. REVIEW OF OPERATIONS:

(in ₹)

Particulars	F.Y. 12-13	F. Y. 11-12
Total Income	10,17,81,385	7,15,82,672
Total expenditure	7,78,40,782	5,16,50,339
Profit before tax	2,39,40,603	1,99,32,333
Provisions for Tax	40,57,749	38,02,529
Profit After tax	1,98,82,854	1,61,29,804
Balance carried to Balance Sheet	18,08,802	(1,80,74,052)

During the year under review, the total revenue of your Company increased to Rs. 10,17,81,385/- as compared to Rs. 7,15,82,672/- during the previous year, an increase of 42%. The Company has earned a Net Profit of Rs. 1,98,82,854/- as compared to Rs. 1,61,29,804/- during the previous year, an increase of 23%.

2. BUSINESS OVERVIEW: 2012-13

Your Company enjoys the distinction of being a leading provider of solutions and services in the realm of financial sector knowledge. Your Company is engaged in the design of domain knowledge across major asset classes and offers numerous products and services in the realm of executive education, financial literacy, financial certification, research, consultancy, and advisory. Your Company has successfully conducted nationwide training programmes as also extensive content development for the financial markets. Your Company caters to the following major constituencies, domestically as well as internationally:

- Policy makers and regulatory authorities on subjects such as growing importance of financial markets in the economy and aspects of governance and management;
- Financial institutions on market development strategies, resource mobilization, and risk management;
- Corporates and other business entities on the scope of harnessing and accessing financial markets and issuing securities and other instruments;
- Intermediaries on the skill-sets and expertise required to operate in multi-asset-class markets, including trading and settlement;
- Students to prepare them with knowledge and know-how for successful careers in financial markets; and
- Investors to empower them with proper understanding and appreciation of the opportunities in the financial markets and risk and rewards associated with financial investments.

PRODUCTS, PROGRAMMES AND PUBLICATIONS

- In variety of ways, your Company serves its constituencies which include conducting certification exams in various asset classes, offering short, and medium term skill oriented programmes, customizing long and short term programmes providing exposure to market practices for Business Schools in India and abroad, structuring financial markets visits for international clients, preparing and publishing weekly reviews, briefings, contents, including some of the innovative publications like Financial Literacy Diary, Stock Investment Diary, and Essential of Investing (a set of 11 small booklets), etc., commentaries on contemporary issues in financial sector, specialized sector specific research reports and papers, etc.
- Your Company contributes in endeavors of the Group for market development by conducting awareness programmes for farmers, investors, market intermediaries, government officials, faculty members of Universities, etc. in collaboration with Forward Market Commission, National Institute of Securities Markets (NISM), Multi Commodity Exchange of India Limited (MCX) and MCX Stock Exchange Limited and other off-shore exchange ventures.
- Your Company offers highly specialized communication campaigns, consultancy services, and skill development programmes in area of Knowledge Management and Financial literacy and inclusion. It also offers services to conduct specialized event and market visit customizing the requirements of the client.

KEY MILESTONES

Major activities of your Company during the year include:

- **Consulting**
  A major project on drawing a road map for knowledge management undertaken for Capital Market Authority, Saudi Arabia and a study on Financial Services Outsourcing for GIZ, as a part of its project Sino-German Tianjin Modern Financial System Development Project, China are concluded this year. A capacity building programme on Development and Regulation of Commodity Markets was conducted for officers of Ethiopian Commodity Exchange Authority at Addis Ababa. It has also prepared a strategic design paper for creating modern markets infrastructure and systems on public – private partnership basis for Government of Maharashtra.
- **Governance Education**
  Your Company has comes out with a special diary on corporate governance providing a comprehensive view of governance practices from various perspectives, including Strategy, M&A, Regulations, and Financial Statement presentation. Your Company has also represented on "Rethinking Governance" the 31st SKOCH Summit at New Delhi.

- **Financial Education**

  Your Company conducted special programme, a one year financial markets specialization module of MBA course and a Winter School in Financial Markets Practice, a two week intensive course; Market at Work a scalable programme specially designed for academic community. Your Company also conducts financial market education programme for farmers, senior government officials, members of mandis, faculty members of B-schools and universities. Domain experts of your Company have been invited by many reputed domestic and international market and academic institutions of repute to make presentations, including IIMs and Universities, and national level agricultural institutions. It has also conducted commodity market seminar, among others, for officers of Economic Offence Wing (EOW), Mumbai, and conducted courses on markets at GITAM University, Vishakhapatanam, KIIT University, Bhuwaneshwar.

  Apart from the domestic programmes, two international programmes, Securities Market Operations and Exchange Management, and Regulation and Development of Commodity Futures Markets were conducted during the year.

- **Financial Certification**

  Your Company also offers MCX Certified Commodity Market Professional (MCCP), the premier certification examination on-line through web-enabled software for wider and easier reach across in India and constituencies outside India. Besides, it has launched a certification programme on currency and commodity markets. Your Company has carried out major certification drive in currency segment by conducting NISM-CPE programmes across the country.

- **Financial Literacy**

  Your Company has initiated a national drive of financial literacy by collaborating with more than 50 academic institutions of repute representing every State of the country. This association would help create financial literacy and capacity building exercise in financial markets. Your Company is an observer member of International network on Financial Education, an initiative of OECD.

- **Events, Reports and presentations**

  Your Company has published a special report "A Million Jobs and a Million More Opportunities" on the contribution of commodity exchanges in regard to creation of jobs, income and infrastructure. The book was released by Hon'ble Minister of State (independent charge) Prof. K. V. Thomas, Ministry of Consumer Affairs and Food and Public Distribution, Government of India. The study was carried out by Tata Institute of Social Sciences in association with MCX. Your Company has made presentations at BRICS Academic Forum, Durban, South Africa and BRICS Think Tank, Chongquong, China, Aisan Securities Forum, Mumbai, etc.

- **Group Communication**

  Your Company has contributed in strengthening communication campaigns of the Group during the various events, like, SAFE conference, Future of Financial Markets, etc. Some of the them includes preparation of a short film on evolution of the exchanges, a documentary A Million Jobs and a Million More Opportunities", and a campaign on Growth and inclusion, and related communication.

- **Briefings and contents**

  Your Company publishes Markets In Motion (MIM), the weekly newsletters covering topics of current interest in economy and finance entered fourth year with a subscriber base of more than 100,000. It has come out with triennial issue consolidating all MIM briefings of last three years. Your Company has prepared educative diaries, like, Stock Investors Diary, Handbook of Financial Markets, etc.

- **Alliances**

  Your Company has entered into Memorandum of Association with Securities Exchange Commission, Dubai in the area of financial literacy, and Institute of Arbitrators, London for conducting programmes on Arbitration in India.

3. **DIVIDEND:**

   In order to conserve resources, your Directors do not recommend any dividend for the year under review.

4. **TRANSFER TO RESERVES**

   No amount is transferred to the Statutory Reserves during the year under review.

5. **SHARE CAPITAL:**

   There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. The Company continues to remain a subsidiary of Financial Technologies (India) Limited.

6. **LOANS:**

   No unsecured loan is outstanding as at 31st March 2013.

7. **FIXED DEPOSITS:**

   Your Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

8. **DIRECTORS:**

   In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Bandi Ramprasad, Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends the appointment of Mr. Bandi Ramprasad in the ensuing Annual General Meeting.

   The other Directors continue to be on the Board of your Company.

9. **AUDITORS:**

   The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

10. AUDITORS REPORT:

The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Your Company is committed for adoption of various energy saving methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations and also endeavors to carry out In-House R & D activities.

Your Company is making efforts to increase its foreign earnings. Your Company is making efforts to develop its export promotion/foreign consultancy programmes.

Foreign Exchange earnings: Rs. 2,54,36,552/- (Previous Year: 2,59,82,700/-)

Foreign Exchange outgo: Rs. 20,26,264 /- (Previous Year:43,79,075/-)

12. PARTICULARS OF EMPLOYESS:

Details of the employees of your Company who are in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are attached herewith:

Name of employee	Designation	Qualifications	Age in years	Joining date	Experience in years	Gross remuneration	Previous Emp. Designation
Bandi Ramprasad	President	B.Com, MA, PhD	58	10-09-2008	30.06	66.00	Sr. Consultant - Dun and Bradstreet India

13. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2012-13 and of the profit of the Company for that period;

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

14. COMPLIANCE CERTIFICATE

In accordance with the provisions of Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules 2001, your Company has obtained a certificate from a Practicing Company Secretary and a copy of the said certificate is attached to this Report.

15. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Bandi Ram Prasad	**Devendra Agrawal**
Director	Director

Place: Mumbai
Date: 28.05.2013

COMPLIANCE CERTIFICATE

CS ABDUL KARIM KAZI
Practicing Company Secretary
Room No.2, 1st Floor, House No.2,
Near Little Flower High School,
Kamgar Road, Andheri (East),
Mumbai - 400 069
e-mail: proagile@pcsllp.com
Tel no: 022- 26846786

CIN: U80900MH2007PLC173924
Paid up Capital: Rs.3,75,00,000

COMPLIANCE CERTIFICATE

To

The Board of Directors,

FT Knowledge Management Company Limited

FT Tower, CTS no. 256& 257,
Suren Road,Chakala, Andheri (East),
Mumbai- 400093.

I have examined all the relevant books, registers, forms, documents and papers of FT Knowledge Management Company Limited(the Company) as required to be maintained under the Companies Act, 1956, (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company, for the purpose of issuing a Secretarial Compliance Certificate under section 383A of the Act, read with the Companies (Compliance Certificate) Rules, 2001 (The Rules) for the financial year 1st April 2012 upto 31st March 2013.

Based on such examination as well as information and explanations furnished to me, which to the best of my knowledge and belief were necessary for the purposes of my certification, I hereby certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has duly filed the forms and returns except as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. However, no forms or returns were filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met 4 (four) times respectively on 28th May, 2012, 9th July 2012, 4th October 2012 and 28th March 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose. The Company has not passed any board resolution by circulation.
5. The Company has not closed its Register of Members during the year under scrutiny.
6. The Annual General meeting for the financial year ended on 31st March 2012 was held on 22nd August 2012 after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the year.
8. The Company has not advanced any loans to it directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries that need to be made in the register maintained under section 301 of the Act.
11. The Company did not seek any approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act, during the year.
12. The Company has not issued any duplicate share certificates during the year.
13. The Company has / was :
    (i) not made allotment of securities, however has delivered all share certificate on lodgement thereof for transfer in accordance with the provisions of the Act during the year;
    (ii) not deposited any amount in a separate bank account as no dividend was declared during the year;

(iii) not required to post warrants to any members of the Company as no Dividend was declared during the year;

(iv) no amounts lying in the credit of any account, which is required to be transferred to Investor Education and Protection Fund;

(v) complied with the requirements pertaining to Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and the appointment of Mr. Ramprasad Bandi as the additional director w.e.f 1st December 2011 has been duly made.
15. The Company was not required to appoint any Managing Director / Wholetime Director / Manager during the year.
16. The Company has not appointed any sole-selling agents during the year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any equity shares, debentures or other securities during the year.
20. The Company has not bought back any shares during the year.
21. There was no redemption of preference shares or debentures during the year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the year.
24. The company has not made any borrowings during the year.
25. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose. The Company has made investment in Mutual Funds during the year in compliance with the provisions of the Act.
26. The Company has not altered the provisions of the memorandum with respect to the situation of the Company's registered office during the year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year.
30. The Company has altered its Articles of Association after obtaining approval of the members in the general meeting held on 22nd August 2012 and the amendments to the articles of association have been registered with the Registrar of the companies during the year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the year, for offences under the Act, as informed to us.
32. As explained to us, the Company has not received any money as security from its employees during the year.
33. As explained to us, the Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

Place: Mumbai
Date: 28.05.2013

ANNEXURE – A

REGISTERS AS MAINTAINED BY THE COMPANY

1. Register of Members u/s 150 of the Act;
2. Register of Directors u/s 303 of the Act;
3. Register of Directors' shareholding u/s 307 of the Act;
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299 and 301 of the Act;
5. Minutes of the General Meetings and Board Meetings u/s 193 of the Act;
6. Attendance Registers of Board and General Body meetings.

ANNEXURE – B

Forms and Returns as filed by the Company, During the year ended on 31st march 2013

Sr. No	Eform No.	Under Sec.	Date of filing with ROC	SRN No	Particulars
1	23AC & ACA	220	15.12.2012	Q04411229	Annual Accounts in XBRL format for the year ended 31st March 2012
2	66	383A	18.09.2012	P88970967	Compliance Certificate for the year ended 31st March 2012
3	20B	159	25.09.2012	P89067391	Annual Return for the AGM held on 22nd August 2012
4	32	303 (2)	06.09.2012	B56998792	Change in designation of Mr. Ramprasad Bandi w.e.f from 1st December 2011, with additional fees.
5	32	303(2)	18.09.2012	B57867442	Change in designation of Mr. Ramprasad Bandi as the director of the company from in the AGM held on 22nd August 2012
6	23	192	20.09.2012	B57970469	Alteration of Articles in AGM held on 22nd August 2012
7	22B	187C (4)	19.11.2012	B62007091	Change in beneficial interest of Shareholder as on 04th October 2012

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

Place: Mumbai
Date : 28.05.2013

ADDENDUM TO THE DIRECTORS' REPORT

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 28th May 2013 shall now be read as under:

9. AUDITORS:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 28th May 2013.

For and on behalf of the Board of Directors

Bandi Ram Prasad	**Devendra Agrawal**
Director	Director

Place: Mumbai
Date: 28.08.2013

INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF **FT KNOWLEDGE MANAGEMENT COMPANY LIMITED**

Report on the Financial Statement

We have audited the accompanying financial statements of FT KNOWLEDGE MANAGEMENT COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862
Place : Mumbai
Date : 28.05.2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **FT KNOWLEDGE MANAGEMENT COMPANY LIMITED** on the accounts of the company for the year ended 31st March, 2013.

(i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The company has not disposed off any substantial part of fixed assets during the year and accordingly going concern is not affected.

(ii) The Company is a service company; accordingly it does not hold any physical inventories. Hence, Paragraph 4 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted/taken any loan, secured or unsecured to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets and sale of of services. The activities of the Company do not involve for the purchase of inventories and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transactions carried out during the year, pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956. Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company

(vi) The company has not accepted any deposits from the public during the year and therefore, the provisions of Paragraph 4 (vi) of the Order are not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209 (1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service-tax and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax and Cess were outstanding, as at March 31, 2013.

(x) The Company's accumulated losses at the end of the financial year are not more than fifty percent of net worth of the Company. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according the information and explanations given to us, the Company has not borrowed any amounts from banks or financial institutions or by issue of debentures and hence, the provision of Paragraph 4 (xii) of the Order is not applicable to the Company.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund/societies.

(xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments, hence Paragraph 4 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short term basis used for long term investments.

(xviii) The company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act during the year; hence Paragraph 4 (xviii) of the Order is not applicable to the Company.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of the year.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place : Mumbai
Date : 28.05.2013

BALANCE SHEET
as at 31st March 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
EQUITIES AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	37,500,000	37,500,000
(b) Reserve and surplus	3	1,808,802	(18,074,052)
		39,308,802	**19,425,948**
2 Non current liabilities			
(a) Long -term provisions	4	1,005,556	1,233,931
(b) Deferred tax liabilities (net)	24	557,032	-
		1,562,588	**1,233,931**
3 Current liabilities			
(a) Short term borrowings	5	-	10,479,343
(b) Trade payables	6	23,258,831	2,053,787
(c) Other current liabilities	7	4,423,247	699,051
(d) Short term provisions	8	909,622	955,115
		28,591,700	**14,187,296**
		69,463,090	**34,847,175**
ASSETS			
1 Non current assets			
(a) Fixed assets	9		
(i) Tangible assets		3,485,555	3,152,359
(ii) Intangible assets		7,650,959	190,235
(b) Long term loans and advances	10	2,793,923	60,763
		13,930,437	**3,403,357**
2 Current assets			
(a) Current Investments	11	36,808,843	-
(a) Trade receivable	12	1,197,438	15,580,950
(b) Cash and bank balances	13	11,135,002	10,633,305
(c) Short term loans and advances	14	6,391,370	5,229,563
		55,532,653	**31,443,818**
		69,463,090	**34,847,175**
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Joseph Massey
Director

Bandi Ramprasad
Director

Place : Mumbai
Date : 28.05.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
Continuing operation			
(I) Revenue			
Revenue from operations	15	99,700,610	71,461,846
Other income	16	2,080,775	120,826
Total revenue (I)		**101,781,385**	**71,582,672**
(II) Expenses			
Employee benefit expenses	17	28,610,240	27,793,626
Other expenses	18	48,612,600	22,243,359
Total expenses (II)		**77,222,840**	**50,036,985**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		24,558,545	21,545,687
Depreciation and amortization	19	573,788	510,631
Finance cost	20	44,154	1,102,723
(VI) Profit before tax		**23,940,603**	**19,932,333**
Tax expense			
- Current tax (MAT)		4,636,857	3,789,699
- MAT entitlement		(894,060)	-
- (Excess)/Short provision of tax for earlier years		(242,080)	12,830
Net current tax expenses		**3,500,717**	**3,802,529**
- Deferred tax expense		557,032	-
(V) Total tax expensed from continuing operation		**4,057,749**	**3,802,529**
(VI) Profit for the year		**19,882,854**	**16,129,804**
(VII) Earnings per share	21		
Basic		5.30	4.30
Diluted		5.30	4.30
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Joseph Massey
Director

Bandi Ramprasad
Director

Place : Mumbai
Date : 28.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

Particulars	31st March 2013		31st March 2012	
A. Cash flow from operating activities				
Net profit before tax		23,940,603		19,932,333
Adjustments for:				
Depreciation/ amortisation	573,788		510,631	
Interest expense	44,150		1,100,301	
Loss on sale of fixed assets/ written off	31,325		-	
Interest income	-		(11,664)	
Dividend income	(857,324)		-	
		(208,061)		1,599,268
Operating profit before working capital changes		**23,732,542**		**21,531,601**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	14,383,513		(12,631,818)	
Short-term loans and advances	(5,724,280)		450,151	
Long-term loans and advances	(2,733,161)		3,461,750	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	21,205,044		(5,151,590)	
Other current liabilities	3,724,196		(2,312,226)	
Other long-term liabilities	-		-	
Short-term provisions	(45,493)		145,231	
Long-term provisions	(228,375)		(148,182)	
		30,581,444		(16,186,684)
Cash from operations		**54,313,986**		**5,344,917**
Less: Taxes paid (net of refund)		1,061,756		(4,160,879)
Net cash flow from operating activities		**55,375,743**		**1,184,038**
B. Cash flow from investing activities				
Purchase of fixed assets		(8,420,116)		(471,249)
Sale of fixed assets		21,083		-
Purchase of investments		(85,703,523)		-
Proceeds from sale of investments		48,894,680		-
Interest income		-		11,664
Dividend income		857,324		-
Net cash flow used in investing activities		**(44,350,553)**		**(459,586)**
C. Cash flow from financing activities				
Proceeds from borrowings		-		19,250,000
Repayment of borrowing		(10,479,343)		(13,600,000)
Interest expense		(44,150)		(1,100,301)
Net cash flow (used in)/ from financing activities		**(10,523,493)**		**4,549,699**
Net cash flow during the year (A+B+C)		**501,697**		**5,274,152**
Net increase in cash and cash equivalents		**501,697**		**5,274,152**
Cash and cash equivalents (opening balance)		**10,633,305**		**5,359,153**
Cash and cash equivalents (closing balance)		**11,135,002**		**10,633,305**

CASH FLOW STATEMENT

for the year ended 31st March, 2013

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts.
   Cash and cash equivalents includes:

(in ₹)

Particulars	31st March 2013	31st March 2012
Cash balance	-	-
Bank balances :		
- In Current Account	11,135,002	10,633,305
	11,135,002	**10,633,305**

2. Purchase of fixed assets are stated during the year are consider as part of investing activities.
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard issued (AS 3) "Cash Flow Statement" by The Institute of Chartered Accountants of India.
4. Previous year's figures have been regrouped, rearranged reclassified wherever necessary to correspond with the figures of the current year as required under revised schedule VI.

The notes referred to above form an integral part of the financial statements.

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Joseph Massey
Director

Bandi Ramprasad
Director

Place : Mumbai
Date : 28.05.2013

NOTES

to financial statements for the year ended 31st March, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or noncurrent as per the company's normal operating cycle and other criteria as set out in the revised schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortization

Depreciation on tangible assets has been provided on the straight-line method as per the rates prescribed in schedule XIV to the Companies Act, 1956.

Depreciation in respect of assets costing less than ₹5,000 each is fully depreciated in the year of capitalisation

Intangible assets are amortised over their estimated useful life as follows:

Patent & trademarks – 8 years

Computer software – 6 years

1.5 Revenue recognition

Revenue is recognized when no significant uncertainty as to determination or realization exists.

Income from coaching and training fees and consultancy fees are recognized as per the terms of the contract and when the services are provided. Income from services is stated net of service tax wherever applicable.

1.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.7 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.8 Intangible assets

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

1.9 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the company outstanding at the balance sheet date are restated at the year-end rates.

Exchange differences arising out of these translations are charged to the statement of Profit and Loss."

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the company are recognised as income or expense in the statement of profit and loss.

Non-monetary items denominated in foreign currency are carried at historical cost

1.10 Employee benefits

Post employment benefits and other long term benefits

Company's contribution to provident fund is charged to profit and loss account. The company's liability towards gratuity is funded through a scheme (Group Gratuity) administered by the Life Insurance Corporation of India. Leave encashment on retirement is provided on actual basis in accordance with the company's scheme in this respect

NOTES

to financial statements for the year ended 31st March, 2013

Defined benefit plans

For defined benefit schemes and other long term benefit plans viz. gratuity and leave encashment expected to occur after twelve months, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at balance sheet date. Actuarial gains and losses are recognized in full in the statement of profit and loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of the available refunds and reduction in contributions to the scheme

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

1.11 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to statement of profit & loss.

1.12 Taxes on income

Income taxes are accounted for in accordance with accounting standard (AS-22) “Accounting for taxes on income”. Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

Minimum Alternative tax (MAT) paid in a year is charged to statement of profit & loss as current tax. Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

1.13 Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss . If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of historical cost or recoverable amount.

1.14 Provisions and contingencies

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent liabilities are disclosed by way of notes to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013		31st March 2012	
	Nos	₹	Nos	₹
2 SHARE CAPITAL				
Authorised:				
Equity shares of Rs. 10/- each	3,750,000	37,500,000	3,750,000	37,500,000
Preference shares of Rs. 10/- each	250,000	2,500,000	250,000	2,500,000
	4,000,000	**40,000,000**	**4,000,000**	**40,000,000**
Issued, subscribed & paid up:				
Equity shares issued of Rs. 10/- each fully paid up	3,750,000	37,500,000	3,750,000	37,500,000
	3,750,000	**37,500,000**	**3,750,000**	**37,500,000**
a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.				
At the beginning of the year	3,750,000	37,500,000	3,750,000	37,500,000
Issued during the year	-	-	-	
Outstanding at the end of the year	**3,750,000**	**37,500,000**	**3,750,000**	**37,500,000**

The company has only one class of equity shares having par value of Rs 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.

b) Shares held by holding company	31st March 2013		31st March 2012	
	Nos.	₹	**Nos.**	₹
Financial Technologies (India) Ltd.	**3,750,000**	**37,500,000**	**3,750,000**	**37,500,000**
c) Details of the shareholders holding more than 5% of the shares in the company	**Nos.**	**% holding**	**Nos.**	**% holding**
Financial Technologies (India) Ltd.	**3,750,000**	**100**	**3,750,000**	**100**

(in ₹)

	31st March 2013	31st March 2012
3 RESERVES AND SURPLUS		
Surplus /(deficit) in the statement of profit and loss		
Balance as per last financial statements	(18,074,052)	(34,203,856)
Add: Profit for the year	19,882,854	16,129,804
Net surplus/(deficit) in the statement of profit and loss	**1,808,802**	**(18,074,052)**
4 LONG-TERM PROVISION		
Provision for leave encashment	1,005,556	1,233,931
	1,005,556	**1,233,931**
5 SHORT-TERM BORROWINGS		
Unsecured loan		
- from holding company -repayable on demand (refer note 23)	-	10,479,343
	-	**10,479,343**
6 TRADE PAYABLES		
Trade Payables	23,258,831	2,053,787
(refer note 28 for details of dues to micro and small enterprises)		
	23,258,831	**2,053,787**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
7 OTHER CURRENT LIABILITIES		
Statutory payable		
Service Tax Payables	272	-
TDS payables	2,917,705	519,788
Other (PF/VAT/PT etc.)	161,722	136,857
Advance received from customers	1,060,955	-
Contractually reimbursements/ payables	282,593	42,406
	4,423,247	**699,051**
8 SHORT-TERM PROVISIONS		
Provision for gratuity	410,094	450,451
Provision for leave encashment	499,528	504,664
	909,622	**955,115**
10 Long-term loans and advances		
Other loan and advances		
Prepaid expenses	3,086	35,763
Balances with statutory/Government Authorities-Deposits	25,000	25,000
Tax deducted at source (net of provision for tax)	2,765,837	-
	2,793,923	**60,763**
11 Current Investment		
Non Trade - Current Investments		
Unquoted		
- in Mutual Funds		
29,667.5510 (previous year: Nil) units of ₹1000/- each of Canara Robeco Treasury Advantage Fund - Direct Daily Dividend Reinvestment	36,808,843	-
	36,808,843	-
Note:		
1) Aggregate Value of Unquoted Investments	36,808,843	-
12 TRADE RECEIVABLES		
Unsecured, considered good unless stated otherwise		
Trade receivables outstanding for a period exceeding six months from date they are due for payment		
Unsecured, considered good	470,674	601,595
	470,674	**601,595**
Other trade receivables		
- Unsecured, considered good	726,764	14,979,355
	1,197,438	**15,580,950**
13 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash and cheques on hand	3,012,485	-
Bank balances:		
With scheduled banks		
- in Current account	8,122,517	10,633,305
Deposits with original maturities of less than 3 months	-	-
	11,135,002	**10,633,305**
	11,135,002	**10,633,305**

NOTES

to financial statements for the year ended 31st March, 2013

9. FIXED ASSETS

(in ₹)

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
Particulars	Cost as at 01.04.2012	Additions	Deletion/ Adjustments	Cost as at 31.03.2013	Upto 01.04.2012	For the year	Deletion/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
TANGIBLE ASSETS										
Office Equipment	962,194	10,350	13,500	959,044	197,624	45,841	1,739	241,726	717,318	764,570
Computer Hardware	2,158,834	25,503	136,753	2,047,584	762,131	343,843	96,107	1,009,868	1,037,716	1,396,703
Motor car	1,483,328	884,263	-	2,367,591	492,241	144,829	-	637,070	1,730,521	991,087
	4,604,356	**920,116**	**150,253**	**5,374,219**	**1,451,997**	**534,513**	**97,846**	**1,888,664**	**3,485,555**	**3,152,360**
INTANGIBLE ASSETS (Other than internally generated)										
Patent, trademark & designs	100,000	-	-	100,000	33,904	12,500	-	46,404	53,596	66,096
Computer Software	140,076	7,500,000	-	7,640,076	15,937	26,776	-	42,713	7,597,363	124,139
	240,076	**7,500,000**	**-**	**7,740,076**	**49,841**	**39,276**	**-**	**89,117**	**7,650,959**	**190,235**
TOTAL	**4,844,432**	**8,420,116**	**150,253**	**13,114,295**	**1,501,838**	**573,789**	**97,846**	**1,977,781**	**11,136,514**	**3,342,594**
Previous year	**4,373,155**	**471,277**	**-**	**4,844,432**	**991,180**	**510,631**	**(26)**	**1,501,837**	**3,342,594**	**3,381,975**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
14 SHORT-TERM LOANS AND ADVANCES		
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	279,000	72,390
	279,000	**72,390**
Other loan and advances		
Prepaid expenses	296,653	156,552
Loans to employees	284,844	89,259
MAT entitlement	894,060	-
Balances with statutory/ government authorities	3,437,836	43,972
Tax deducted at source (net of provision for tax)	1,198,977	4,867,390
	6,112,370	**5,157,173**
	6,391,370	**5,229,563**
15 REVENUE FROM OPERATIONS		
Sale of services	99,700,610	71,461,846
	99,700,610	**71,461,846**
Details of services rendered :		
Coaching & training fee	58,370,078	39,958,778
Consultancy fee	41,330,532	31,503,068
	99,700,610	**71,461,846**
16 OTHER INCOME		
Dividend from:		
- Current investments	857,324	-
Interest income from:		
- Bank deposit accounts	-	11,664
- Others	285,848	2,616
Miscellaneous income	82,517	22,606
Foreign exchange rate difference (net)	855,086	83,940
	2,080,775	**120,826**
17 EMPLOYEE BENEFIT EXPENSES		
Salaries and bonus (net of recovery)	26,963,161	26,144,687
Contribution to provident fund and other funds	881,786	883,628
Gratuity	589,985	642,690
Staff welfare expenses	175,308	122,621
	28,610,240	**27,793,626**
18 OTHER EXPENSES		
Rent and amenities	7,120,271	7,144,200
Training & honorarium charges	4,649,967	2,131,765
Royalty charges	175,498	165,095
Electricity charges	690,561	-
Travelling and conveyance	3,919,733	1,829,654
Payment to auditor (refer details below)	208,010	219,500
Legal and professional charges	17,583,116	2,662,957
Business promotion expenses	4,337,845	1,357,982
Printing and stationery	2,004,299	358,483
Repairs and maintenance- others	646,675	28,244
Insurance expenses	61,731	83,530
Common shared service cost	3,600,000	4,012,221
Loss on sale of fixed assets	31,325	-
Miscellaneous expenses *	3,583,569	2,249,728
	48,612,600	**22,243,359**

* (includes software license fee, registration fees, books & periodicals, office expenses, IT support charges, professional tax, bank charges, sundry balances written off, subscription charges etc…)

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
Details of payment to auditor :		
As auditor :		
Audit fee	75,000	75,000
In other capacity		
Taxation matters	122,500	144,500
other services	10,510	-
(includes tax audit,VAT audit and other taxation matters.)		
	208,010	**219,500**
19 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on tangible assets	534,512	482,194
Amortization of intangible assets	39,276	28,437
	573,788	**510,631**
20 FINANCE COST		
- Interest expense on		
- borrowing (to holding company on unsecured loan.)	44,150	1,100,301
- others	4	-
- Bank guarantee charges	-	2,422
	44,154	**1,102,723**
21 EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net profit / (loss) after tax for calculation of basic EPS	19,882,854	16,129,804
Weighted average number of equity shares basic (nos.)	3,750,000	3,750,000
Weighted average number of equity shares diluted (nos.)	3,750,000	3,750,000
Basic earnings per share	5.30	4.30
Diluted earnings per share	5.30	4.30
Nominal value of equity share	10/-	10/-

22 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Gratuity plan: The company has made annual contributions to the gratuity-cum-life assurance (cash accumulation) scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the status of the gratuity plan and amounts recognized in the company's financial statements as at 31st March, 2013:

Statement of profit and loss

Net employees benefit expense recognized in the employee cost

Current service cost	428,328	492,314
Interest cost	173,197	128,767
Expected return on plant assets	(136,495)	(106,318)
Actuarial (gain) or loss	124,955	127,927
Expense recognised in statement of profit and loss	**589,985**	**642,690**
Actual return on plan assets	**195,735**	**146,118**
Balance sheet		
Benefit asset/liability		
Liability at the end of year	2,823,327	2,037,607
Fair value of the plan assets at the end of year	2,413,233	1,587,156
Plan asset (liability)	**(410,094)**	**(450,451)**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
Changes in the present value of the defined benefit obligation are as follows :		
Projected benefit obligation at the beginning of the year	2,037,607	1,560,808
Interest cost	173,197	128,767
Current service cost	428,328	492,314
Benefit paid	-	(312,009)
Actuarial (gain) / loss on obligations	184,195	167,727
Projected benefit obligation at the end of the year	**2,823,327**	**2,037,607**
Changes in the fair value of plan assets are as follows :		
Fair value of the plan asset at the beginning of the year	1,587,156	1,288,709
Expected return on plan assets	136,495	106,318
Contributions	630,342	464,338
Benefits paid	-	(312,009)
Actuarial gain / (loss) on plan assets	59,240	39,800
Fair value of plan assets at the end of the year	**2,413,233**	**1587156**
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investments with insurer	**100%**	**100%**
The principal assumptions used in determining gratuity obligations for the company's plans are shown below :		
Mortality table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate	8.25%	8.50%
Expected rate of return on assets	8.70%	8.50%
Salary escalation rate	7.50%	7.50%
Employee turnover	6% p.a. & 2% p.a. thereafter	For 0 to 5 yrs. 6% p.a. & 6 yrs. above 2%

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.
The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

Actuarial assumptions for long term compensated absences

	31st March 2013 Leave Encashment (Unfunded)	31st March 2012 Leave Encashment (Unfunded)
Mortality table (LIC)	1994-96(Ultimate)	1994-96(Ultimate)
Discount rate	8.25%	8.25%
Expected rate of return on assets	8.70%	8.25%
Salary escalation rate	7.50%	7.50%
Employee turnover	For Service 4 yrs & Below 6% p.a. & 2% p.a. thereafter	1% Age related + 6% Service related

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
24 DEFERRED TAX LIABILITY (NET)		
Deferred tax liability		
Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,208,001	-
Others	-	-
Gross deferred tax liability	**1,208,001**	**-**
Deferred tax asset		
Provision for Gratuity/Leave encashment	650,969	-
Gross deferred tax asset	650,969	-
Deferred tax Liability	557,032	-
25 CONTINGENT LIABILITIES AND COMMITMENTS		
(to the extent not provided for)		
a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
b) Contingent liabilities not provided for	NIL	NIL
	NIL	NIL
26 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Travelling and conveyance	705,078	4,160,054
Bank charges	2,567	5,593
Staff welfare expenses	-	6,370
Books & periodicals expenses	-	78,035
Printing & stationary expenses	653,799	309
Business promotion expenses	372,874	70,398
Subscription & membership	41,736	37,015
Communication expenses	246,626	21,301
Others	3,584	-
	2,026,264	**4,379,075**
27 EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Coaching & training fee	4,974,014	1,787,878
Consultancy fees	16,657,787	19,838,916
Travelling and conveyance	3,002,736	4,355,906
Others	802,015	-
	25,436,552	**25,982,700**
28 DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	5,513
Interest due on above	-	-
	-	**5,513**

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

29 The Company is engaged in the business of providing coaching, training and consultancy. The Company has considered business segment as Primary segment. Thus there is only one identified reportable segment.

30 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For and on behalf of the Board.

Joseph Massey	**Bandi Ramprasad**
Director	Director

Place: Mumbai
Date : 28.05.2013

NOTES

to financial statements for the year ended 31st March, 2013

23 RELATED PARTY DISCLOSURES

(A) Names of related parties and related party relationship :

(i)	**Company whose control exists** (holding company)	:	Financial Technologies (India) Limited (since incorporation)
(ii)	**Fellow Subsidiaries (with whom transactions are carried out)**	:	Tickerplant Limited
		:	Atom Technologies Limited
		:	Takshashila Academia of Economic Research Limited
		:	National Bulk Handling Corporation Limited
(iii)	**Associates of the holding company** (where control exists) (with whom transactions are carried out)	:	Multi Commodity Exchange of India Limited
(iv)	**Key Management Personnel (KMP)**	:	Mr.Bandi Ramprasad (Director)

(B) Related parties transactions : (in ₹)

Nature of Transactions	Holding Companies		Fellow Subsidiaries		Associate company of Holding co. (where control exists)		Key management personnel	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012	31st March 2013	31st March 2012	31st March 2013	31st March 2012
1 Sale/purchase of goods, services and assets							-	-
a Sale of assets	15,603	-	-	-	-	-		
b Coaching & training fee charged to them	141,000		-	-	23,000,090	17,480,801		
c Consultancy charges charged to them	-	10,000,000	-	-	-	-		
d Rent and amenities charges paid	5,334,221				1,786,050	7,144,200		
2 Interest paid.	44,150	1,100,301					-	-
3 Other reimbursement of expenses							-	-
- Charged by them	7,822,325	16,114,122	8,609,122	714,586	175,498	165,095		
- Charged to them	119,536	851,123	-	-	-	-		
4 Salary and allowance including reimbursement	-	-	-	-	-	-	5,772,306	4,079,103
5 Loan taken and repayment thereof							-	-
Opening balances as at the beginning of the year	10,479,343	9,400,000	-	-	-	-	-	-
Taken during the year	-	19,250,000	-	-	-	-	-	-
Repaid during the year	10,479,343	18,170,658	-	-	-	-	-	-
Closing balance as at the end of the year	-	10,479,342	-	-	-	-	-	-
6 Deposits refunded							-	-
Deposits refunded	-	-	-	-	-	-	-	-
7 Closing balance								
-Debit	-	-	-	-	-	-	-	-
-Credit	155,549	-	15,881,524	-	-	-	-	-

Note: Related party relationship is as identified by the Company and relied upon by the auditors.

DIRECTORS' REPORT

To,

The Members,

Your Directors present their Ninth Annual Report to the Members along with the Audited statement of accounts for the financial year ended March 31, 2013.

1. Financial Results and Operations:

(in ₹)

Particulars	F.Y.12-13	F.Y. 11-12
Total Income	21,89,95,142	34,88,58,163
Total expenditure	28,34,60,692	32,93,76,160
Profit before tax	(6,44,65,550)	1,94,82,003
Provisions for Tax	-	12,50,218
Profit/(Loss) After tax	(6,44,65,550)	1,82,31,784
Balance to be carried forwarded	(10,32,13,236)	(82,58,22,686)
Reduction of Capital on cancellation of shares	-	78,70,75,000
Balance carried to Balance Sheet	(10,32,13,236)	(3,87,47,686)

2. BUSINESS OUTLOOK

Your Company is a leading global content provider in the financial information and market data services industry, integrating and disseminating ultra-low latency data feeds, news and information to support investment decisions of professionals and investors. Information services coverage includes real-time data on asset classes such as equities, commodities, forex, money markets and fixed Income. Company also disseminates information through variety of delivery channels, including desktop-based applications, browser-based applications and mobile applications.

2012-13 was a challenging and a morbid year for the financial markets not only in India but globally as well. The political and economic stability was a grave concern throughout 2012-13. The retail participation was at a 9 year low in India with most of the investors and traders choosing to opt out of the financial markets hoping for the good time to come. Even Banks, Brokerage houses and Corporates underwent a tight exercise of cost reengineering to save on operating cost and cut down on every possible service/resource which was not adding value to their business. As a result of the above restraints, the market growth for market data terminals was greatly restricted and the overall Industry faced tough times in the face of client attrition, dropping revenue from clients, increased costs due to increase in exchange fees, rupee depreciation and more.

TickerPlant, however, managed to put up a good show and grew the business in a market where every other player struggled to manage their existing business, topline & bottom line.

Key Highlights 12-13

- Revenue growth - 21%.
- Growth in Market View Terminal® Revenues - 15%.
- Growth in Market View Mobile® Revenues - 33%
- Average Revenue Per Client - Up by 12%

Key Project / Wins

- ICICI Bank National level contract.
- SBI project –Feed integration into Risk Management system for all SBI associates.
- Increase in category contribution for Banks/FIs and Brokerage houses.
- Roll out of more than 10 Versions (Product upgrade) for the year.
- Expanded News coverage which was well appreciated by the market.
- Enhancement of Corporate fundamentals for 3000 listed companies.
- Seamless SX Integration for Cash and F&O segments.
- Successful integration of Kotak group promoted ACE commodity exchange.

Developments

- TickerPlant further penetrated clients spanning all the major Banks, Financial Institutions, Corporate groups, Brokerage houses & more. it solidified its position in the market with a better brand recall.
- The product gained strength and assisted the market players in accessing real-time global financial market information at a cost effective price.
- MarketView Mobile is the Market leader in the segment.
- Executing some prestigious projects in the Insurance sector won in the face of stiff competition.

Products & Services

- Market View Terminal® - The real time market data terminal with low latency and features like advanced charting, news and analytics. The coverage includes global & domestic exchanges across asset classes.
- Market View Mobile® – The only real time streaming application for market participants to track the markets real time while on the move. It offers advanced charting and news as well and is a market leader in this category.
- Market View Pro - The advanced version of MVT with high end analytical tools and features giving an up to date data on 3000 listed companies. Some of the prominent features being peer group comparison, screeners, 'what if' analysis and more.
- Raw Data Feed - TickerPlant delivers custom-built data and content datasets as raw data-feed. It provides stock & commodity quotes and news for use or redistribution.
- XML/Web based services – Offers stock quotes, news, headlines, and information feeds which are delivered via extensible Markup Language (XML/Web services/Web pages). Optimized for Corporate portals, Intranets and websites.

3. DIVIDEND:

Since the Company has incurred loss during the year under review, your Directors do not recommend any dividend.

4. TRANSFER TO RESERVES

No amount is transferred to the Statutory Reserves during the year under review.

5. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

6. LOANS:

As at March 31, 2013, the Unsecured Loans stood at Rs. 9,18,62,000/-.

7. FIXED DEPOSITS:

The Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

8. DIRECTORS:

During the year under review, Mr. Dewang Neralla , Director of the Company, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Board recommends the appointment of Mr. Dewang Neralla in the ensuing Annual General Meeting of your Company.

Other Directors remained on the Board of the Company.

9. AUDITORS:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

10. AUDITORS REPORT:

The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Your Company is not engaged in manufacturing activities; hence furnishing of details relating to conservation of energy is not applicable. Your Company is committed for adoption of various energy saving methods for conservation of energy. Your Company endeavors to carry out In-House R & D activities. The Company is making efforts to develop its export promotion.

Foreign Exchange earning : Rs. 7,50,474/-(Previous Year: Rs. 9,14,987/-)

Foreign Exchange outgo : Rs. 6,00,20,352/-(Previous Year: Rs. 3,83,25,073/-)

12. PARTICULARS OF EMPLOYEES:

Details of the employees of your Company who are in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are attached below:

Name of employee	Designation	Qualifications	Age in years	Joining date	Experience in years	Gross remuneration (in Rs. Lacs)	Previous Emp. Designation
Sameer M Vasani	Sr. Vice President and Head - Technology	BE - Elect	38	17-11-97	15.08	72.00	(Joined FTIL as Trainee)
Nimish Talsania	CEO	B.Sc, Diploma in Marketing Management	40	14-03-12	16.05	68.00	Vice President - Sodexo SVC India

13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2012-13 and of the loss made by Company for that period;

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

14. COMPLIANCE CERTIFICATE:

In accordance with the provisions of Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules 2001, your Company has obtained necessary certificate from a Practicing Company Secretary to that effect. A copy of the same is attached with this report.

15. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Dewang Neralla Director | **Devendra Agrawal** Director

Place : Mumbai
Date : 27.05.2013

CS ABDUL KARIM KAZI
Practicing Company Secretary
Room No.2, 1st Floor, House No.2,
Near Little Flower High School,
Kamgar Road, Andheri (East),
Mumbai - 400 069
e-mail: proagile@pcsllp.com
Tel no: 022- 26846786

CIN: U72900MH2005PLC151034
Paid up Capital: Rs. 4,14,25,000

COMPLIANCE CERTIFICATE

To

The Board of Directors,
Tickerplant Limited
FT Tower, CTS no. 256& 257,
Suren Road,Chakala, Andheri (East),
Mumbai - 400093.

I have examined all the relevant books, registers, forms, documents and papers of Tickerplant Limited (the Company) as required to be maintained under the Companies Act, 1956, (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company, for the purpose of issuing a Secretarial Compliance Certificate under section 383A of the Act, read with the Companies (Compliance Certificate) Rules, 2001 (The Rules) for the financial year 1st April 2012 upto 31st March 2013.

Based on such examination as well as information and explanations furnished to me, which to the best of my knowledge and belief were necessary for the purposes of my certification, I hereby certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has duly filed the forms and returns except as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. However, no forms or returns were filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met 4 (Four) times respectively on 28th May, 2012, 9th July 2012 ,4th October 2012 and 28th March 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. The Company has not passed any board resolution by circulation.
5. The Company has not closed its Register of Members during the year.
6. The Annual General meeting for the financial year ended on 31st March 2012 was held on 23rd August 2012 after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the year.
8. The Company has not advanced any loans to it directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries that need to be made in the register maintained under section 301 of the Act.
11. The Company did not seek any approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act, during the year.
12. The Company has not issued any duplicate share certificates during the year.
13. The Company has / was :
    (i) not made allotment of securities, however has delivered all share certificate on lodgement thereof for transfer in accordance with the provisions of the Act during the year;
    (ii) not deposited any amount in a separate bank account as no dividend was declared during the year;

(iii) not required to post warrants to any members of the Company as no Dividend was declared during the year;

(iv) no amounts lying in the credit of any account, which is required to be transferred to Investor Education and Protection Fund;

(v) duly complied with the requirements pertaining to Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted.

15. The Company was not required to appoint any Managing Director / Wholetime Director / Manager during the Year.

16. The Company has not appointed any sole-selling agents during the year.

17. The Company was not required to obtain any approvals of the Central Government, Regional Director, Registrar of Companies. The Company has obtained the necessary approval from the Bombay High Court for reduction of Share capital in accordance with the provisions of the Act during the year.

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The Company has not issued equity shares, debentures or other securities during the year.

20. The Company has not bought back any shares during the year.

21. There was no redemption of preference shares or debentures during the year.

22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.

23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the year.

24. The amount borrowed by the Company during the year is / are within the borrowing limits of the company and the necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened annual / extra ordinary general meeting.

25. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

26. The Company has not altered the provisions of the memorandum with respect to the situation of the Company's registered office during the year.

27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year.

28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year.

29. The Company has altered the provisions of the memorandum with respect to share capital of the Company during the year, pursuant to the reduction of share capital carried out during the year.

30. The Company has not altered its Articles of Association during the year.

31. There was no prosecution initiated against or show cause notices received by the Company, during the year, for offences under the Act, as informed to us.

32. As explained to us, the Company has not received any money as security from its employees during the year.

33. As explained to us, the Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

CS Abdul Karim Kazi

Practicing Company Secretary

CP No.: 9538

Place : Mumbai
Date : 27.05.2013

ANNEXURE – A

Registers as maintained by the Company

1. Register of Members u/s 150 of the Act;
2. Register of Directors u/s 303 of the Act;
3. Register of Directors' shareholding u/s 307 of the Act;
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299 and 301 of the Act;
5. Minutes of the General Meetings and Board Meetings u/s 193 of the Act;
6. Attendance Registers of Board and General Body meetings.

ANNEXURE – B

Forms and Returns as filed by the Company, during the year ended on 31st March, 2013.

Sr. No	Eform No.	Under Sec.	Date of filing with ROC	SRN No	Particulars
1	21	102(1)	16.05.2012	B39230586	Filing of high court order pursuant to capital reduction passed on 27th April 2012
2	32	303(2)	26.07.2012	B44131837	Cessation of Mr. Harish Kumar as Company Secretary of the Company w.e.f. 30th June 2012
3	20B	159	25.09.2012	P89067243	Annual Return for the AGM held on 23rd August 2012
4	22B	187C (4)	15.11.2012	B61797247	Change in beneficial interest of Shareholder as on 04th October 2012
5	23AC & ACA	220	19.12.2012	Q04620852	Annual Accounts in XBRL format for the year ended 31st March 2012

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

Place : Mumbai
Date : 27.05.2013

ADDENDUM TO THE DIRECTORS' REPORT

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 27th May 2013 shall now be read as under:

9. Auditors:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 27th May 2013.

For and on behalf of the Board of Directors

Dewang Neralla	**Devendra Agrawal**
Director	Director

Place : Mumbai
Date : 26.08.2013

INDEPENDENT AUDITOR'S REPORT

to the Members of Tickerplant Limited

Report on the Financial Statement

We have audited the accompanying financial statements of TICKERPLANT LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

INDEPENDENT AUDITORS' REPORT

to the Members of Financial Technologies (India) Limited

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of TICKERPLANT LIMITED on the accounts of the company for the year ended 31st March, 2013.

(i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The company has not disposed off any substantial part of fixed assets during the year and accordingly going concern is not affected.

(ii) The Company does not hold inventory during the year hence, Paragraph 4 (ii) (a) to (c) of the Order are not applicable to the Company.

(iii) The Company has not granted/taken any loan, secured or unsecured to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transactions carried out during the year, pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956. Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company.

(vi) The company has not accepted any deposits from the public during the year and hence, the provisions of Paragraph 4 (vi) of the Order is not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209(1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service-tax and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service-tax and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax and Cess were outstanding, as at March 31, 2013.

(x) The Company's accumulated losses at the end of the financial year are more than fifty percent of net worth of the Company. The Company has incurred cash losses during the financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.

(xi) In our opinion and according the information and explanations given to us, the Company has not borrowed any amounts from banks or financial institutions or by issue of debentures and hence, the provision of Paragraph 4 (xii) of the Order is not applicable to the Company.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund / societies.

(xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short term basis used for long term investments.

(xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

BALANCE SHEET

as at 31st March 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
EQUITIES AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	41,425,000	41,425,000
(b) Reserve and surplus	3	(103,213,236)	(38,747,686)
		(61,788,236)	**2,677,314**
2 Non current liabilities			
(a) Other long term liabilities	4	174,677	2,593,647
(b) Long - term provisions	5	2,445,806	2,999,503
		2,620,483	**5,593,150**
3 Current liabilities			
(a) Short term borrowings	6	91,862,000	32,062,000
(b) Trade payables	7	15,824,213	12,838,234
(c) Other current liabilities	8	78,283,873	63,793,348
(d) Short term provisions	9	1,049,422	1,420,664
		187,019,508	**110,114,246**
		127,851,755	**118,384,710**
ASSETS			
1 Non current assets			
(a) Fixed assets	10		
(i) Tangible assets		14,057,570	18,797,400
(ii) Intangible assets		880,800	1,230,422
(b) Long term loans and advances	11	12,370,985	36,100,398
(c) Other non-current assets	12	5,452	-
		27,314,807	**56,128,220**
2 Current assets			
(a) Trade receivable	13	30,016,685	6,326,514
(b) Cash and bank balances	14	21,480,027	19,514,279
(c) Short term loans and advances	15	49,040,236	36,394,361
(d) Other current assets	16	-	21,336
		100,536,948	**62,256,490**
		127,851,755	**118,384,710**
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla
Director

R Devarajan
Director

Place : Mumbai
Date : 27.05.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
Continuing operation			
(I) Revenue			
Revenue from operations	17	215,569,852	346,178,687
Other income	18	3,425,290	2,679,476
Total revenue (I)		**218,995,142**	**348,858,163**
(II) Expenses			
Purchase of traded goods	19	-	1,025,071
Employee benefit expenses	20	88,584,221	134,092,928
Other expenses	21	184,718,257	169,699,709
Total expenses (II)		**273,302,478**	**304,817,708**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		**(54,307,336)**	**44,040,455**
Depreciation and amortisation	22	5,729,088	5,955,839
Finance costs	23	4,429,126	18,602,613
(IV) Profit/(loss) before tax		**(64,465,550)**	**19,482,003**
- Current tax (MAT)		-	1,276,401
- Short provision of tax for earlier years		-	(26,183)
(V) Total tax expensed from continuing operation		**-**	**1,250,218**
(VI) Profit/(loss) for the year (IV-V)		**(64,465,550)**	**18,231,784**
(VII) Earnings per share	24		
Basic		(15.56)	0.28
Diluted		(15.56)	0.28
Face value per sahre		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla Director

R Devarajan Director

Place : Mumbai
Date : 27.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
A. Cash flow from operating activities				
Net (loss)/ profit before tax		**(64,465,550)**		**19,482,003**
Adjustments for:				
Depreciation/ amortisation	5,729,088		5,955,839	
Loss on sale / scrap of fixed assets (net)	243,235		1,665,562	
Dividend from investments	(205,075)		(129,665)	
Foreign exchange difference - unrealised	(10,196)		(10,378)	
Consideration for cancellation of shares	-		787,075	
Bad debts written off	1,454,071		1,329,831	
Interest expense	4,426,374		18,598,214	
		11,637,497		28,196,478
Operating (loss)/profit before working capital changes		**(52,828,053)**		**47,678,481**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(25,144,242)		(861,499)	
Short-term loans and advances	8,098,889		35,708,055	
Long-term loans and advances	23,729,413		(20,601,173)	
Other current assets	21,336		104,434	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	2,996,175		(15,235,060)	
Other current liabilities	14,490,525		8,401,467	
Other long-term liabilities	(2,418,969)		2,269,659	
Short-term provisions	(371,242)		(3,688,573)	
Long-term provisions	(553,697)		(4,127,300)	
		20,848,187		1,970,009
Cash generated (used in)/ from operations		**(31,979,866)**		**49,648,490**
Less: Taxes paid		(20,744,764)		(4,900,618)
Net cash (used in)/ from operating activities		**(52,724,630)**		**44,747,872**
B. Cash flow from investing activities				
Purchase of fixed assets		(1,283,727)		(2,708,805)
Sale of fixed assets		400,856		1,709,019
Purchase of investments		(32,744,126)		(44,034,203)
Proceeds from sale of investments		34,204,964		49,149,660
Consideration for cancellation of shares		-		(787,075)
Dividend from investments		205,075		129,665
Net cash from investing activities		**783,041**		**3,458,260**
C. Cash flow from financing activities				
Proceeds from issue of equity shares		-		1,000,000
Proceeds from borrowings		71,800,000		155,850,000
Repayment of Loan		(12,000,000)		(177,500,000)
Interest expense		(4,426,374)		(18,598,214)
Net cash from/ (used in) financing activities		**55,373,626**		**(39,248,214)**
Net cash flow during the year		**3,432,037**		**8,957,918**
Net increase in cash and cash equivalents		**3,432,037**		**8,957,918**
Cash and cash equivalents (opening balance)		**18,047,990**		**9,090,072**
Cash and cash equivalents (closing balance)		**21,480,027**		**18,047,990**

CASH FLOW STATEMENT

for the year ended 31st March, 2013 (Contd.)

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Cash and cash equivalents includes :

(in ₹)

	31st March 2013	31st March 2012
Cash and cheques on hand	2,801,274	-
Bank balances-in current account	18,678,753	18,047,990
- in deposit account (maturing within 3 months)	-	
Cash and cash equivalents	**21,480,027**	**18,047,990**
- in deposit account (maturing more than 3 months)	-	1,466,289
- interest accured on fixed deposits	-	-
Cash and bank balances	**21,480,027**	**19,514,279**

2. Purchase of fixed assets are stated inclusive of movement of capital work in progress between the commencement and end of the year and are considered as part of investing activities
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) " Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
4. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI

The notes referred to above forms an integral part of the financial statement

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 27.05.2013

For and on behalf of the Board.

Dewang Neralla Director

R Devarajan Director

Place : Mumbai
Date : 27.05.2013

NOTES

to financial statements for the year ended 31st March, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Depreciation on tangible assets has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation in respect of assets costing less than ₹5,000 each is fully depreciated in the year of capitalisation

Intangible assets are amortised over their estimated useful life as follows:

- Patent & Trade Marks - 8 years
- Computer Software - 6 years

1.5 Revenue recognition

Income from services

Revenue is recognized when no significant uncertainty as to determination or realization exists.

Income from data feed services, fixed price contracts and product based services are recognized as per the terms of the contract and when the services are provided. Income from services is stated net of service tax wherever applicable.

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

1.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.7 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.8 Intangible assets

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

NOTES

to financial statements for the year ended 31st March, 2013

1.9 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

"Foreign currency monetary items of the company outstanding at the Balance Sheet date are restated at the year-end rates.Exchange differences arising out of these translations are charged to the Statement of Profit and Loss."

Treatment of exchange differences

"Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the company are recognised as income or expense in the statement of profit and loss. "

Non-monetary items denominated in foreign currency are carried at historical cost.

1.10 Investments

Investments are classified as current investments and are carried at the lower of cost and quoted/fair value. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.11 Employee benefits

Post employment benefits and other long term benefits

Company's contribution to provident fund is charged to profit and loss account. The company's liability towards gratuity is funded through a scheme (Group Gratuity) administered by the Life Insurance Corporation of India. Leave encashment on retirement is provided on actual basis in accordance with the company's scheme in this respect.

Defined benefit plans

For defined benefit schemes and other long term benefit plans viz. gratuity and leave encashment expected to occur after twelve months, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Actuarial gains and losses are recognized in full in the statement of profit and loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of the available refunds and reduction in contributions to the scheme

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

1.12 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

1.14 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable

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to financial statements for the year ended 31st March, 2013

of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative tax (MAT) paid in a year is charged to statement of profit & loss as current tax. Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

1.15 Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss . If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of historical cost or recoverable amount.

1.16 Provisions and contingencies

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

Notes to financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013		31st March 2012	
2. SHARE CAPITAL	**Nos.**	**₹**	**Nos.**	**₹**
Authorised:				
Equity shares of Rs.10/- each	84,000,000	840,000,000	84,000,000	840,000,000
	84,000,000	**840,000,000**	**84,000,000**	**840,000,000**
Issued, subscribed & paid up:				
Equity shares of Rs.10/- each fully paid-up*	4,142,500	41,425,000	4,142,500	41,425,000
* as per the capital reduction scheme(Refer note (e) below)				
	4,142,500	**41,425,000**	**4,142,500**	**41,425,000**

a) Reconciliation of the equity shares outstanding at the begning and at the end of the year.

(in ₹)

	31st March 2013		31st March 2012	
	Nos.	**₹**	**Nos.**	**₹**
At the begnining of the year	4,142,500	41,425,000	70,000,000	700,000,000
Issued during the year	-	-	12,750,000	127,500,000
Issued during the year to ESOS Trust	-	-	100,000	1,000,000
Cancellation of shares on capital reduction *	-	-	(78,707,500)	(787,075,000)
* as per the capital reduction scheme(Refer note (e) below)	-	-		
Outstanding at the end of the year	**4,142,500**	**41,425,000**	**4,142,500**	**41,425,000**

The company has only one class of equity shares having par value of Rs 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

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to financial statements for the year ended 31st March, 2013

b) Shares held by holding company

(in ₹)

	31st March 2013		31st March 2012	
	Nos.	₹	Nos.	₹
Financial Technologies (India) Ltd.	**4,042,500**	**40,425,000**	4,042,500	40,425,000

c) Details of the shareholders holding more than 5% of the shares in the company

(in ₹)

	31st March 2013		31st March 2012	
	Nos.	% holding	Nos.	% holding
Financial Technologies (India) Ltd.	**4,042,500**	**97.59**	4,042,500	97.59

d) Shares reserved for issue under options

The company had framed an Employee Stock Option Scheme-2009("the Scheme"), which was duly approved by the shareholders and the Board of Directors of the Company. Accordingly, the company has formed TICKEPLANT ESOS TRUST (“the Trust) to administer the ESOS Scheme on behalf of the Company. During the year the Company has allotted Nil (Previous year 100,000) equity shares of Rs.10/- each to the Trust as per the scheme.

e) Note on capital reduction

In pursuance of the scheme of capital reduction approved by the equity shareholders at their Extra Ordinary General Meeting held on 2nd March 2012 and subsequently sanctioned by the Hon’ble High Court of Judicature at Bombay vide their order dated 27th April, 2012, effective date 1st march 2012 the Equity share capital of the company had been reduced during the previous year from Rs.828,500,000 (82,850,000 Equity shares of Rs.10/- each fully paid up) to Rs.41,425,000/- (4,142,500 Equity shares of Rs.10/- each fully paid up) on cancellation of existing equity share capital Rs.787,075,000/-(78,707,500 equity shares of Rs.10/- each fully paid up) held by Financial Technologies (India) Ltd for a consideration of Rs 787,075/- by setting off of the debit balance in the Statement of Profit and Loss on the Effective date.

(in ₹)

3. RESERVES AND SURPLUS	31st March 2013	31st March 2012
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(38,747,686)	(844,054,470)
Add: loss / (profit) for the year	(64,465,550)	18,231,784
	(103,213,236)	**(825,822,686)**
Add: as per capital reduction scheme on cancellation of shares (refer note 2(e) above)	-	787,075,000
Net deficit in the statement of profit and loss	**(103,213,236)**	**(38,747,686)**

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to financial statements for the year ended 31st March, 2013

(in ₹)

4. OTHER LONG TERM LIABILITIES	31st March 2013	31st March 2012
Unearned revenue on services	174,677	2,593,647
	174,677	**2,593,647**
5. LONG TERM PROVISIONS		
Provision for leave encashment	2,445,806	2,999,503
	2,445,806	**2,999,503**
6. SHORT TERM BORROWINGS		
Unsecured loan		
from holding company - repayble on demand	91,862,000	32,062,000
(refer note 26)		
	91,862,000	**32,062,000**
7. TRADE PAYABLES		
Trade payables	15,824,213	12,838,234
(refer note 31 for details of dues to micro and small enterprises)		
	15,824,213	**12,838,234**
8. OTHER CURRENT LIABILITIES		
Unearned revenue on services	62,401,707	50,942,363
Advances from customers	5,945,586	6,621,000
Other Payable		
-Statutory remittances		
Service tax payables	479,105	2,602
TDS payables	3,511,421	1,986,697
Statutory-other (PF/VAT/PT etc)	414,421	480,451
- Contractual reimbursmets/payables	5,531,633	2,973,159
- Others payable	-	787,075
	78,283,873	**63,793,348**
9. SHORT TERM PROVISIONS		
Provision for leave encashment	1,049,422	1,420,664
	1,049,422	**1,420,664**

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to financial statements for the year ended 31st March, 2013

10. FIXED ASSETS

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.2012	Additions	Deletion/ Adjustments	Cost as at 31.03.2013	Upto 01.04.2012	For the Year	Deletions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible assets										
Office Equipments	946,560	86,750	131,235	902,075	172,641	41,668	18,476	195,833	706,242	773,919
Computer Hardware	30,787,814	988,050	1,471,105	30,304,758	15,257,318	4,887,526	939,772	19,205,072	11,099,687	15,530,496
Motor Car	2,540,478	-	-	2,540,478	47,492	241,345	-	288,837	2,251,641	2,492,986
	34,274,852	**1,074,800**	**1,602,340**	**33,747,311**	**15,477,451**	**5,170,539**	**958,248**	**19,689,741**	**14,057,570**	**18,797,400**
Intangible Assets										
(Other than Internally generated)										
Trade Mark	540,408	-	-	540,408	222,344	66,985	-	289,329	251,079	318,064
Computer Software	2,723,563	208,927	-	2,932,491	1,811,205	491,564	-	2,302,770	629,721	912,358
	3,263,971	**208,927**	**-**	**3,472,899**	**2,033,549**	**558,549**	**-**	**2,592,099**	**880,800**	**1,230,422**
Total	**37,538,823**	**1,283,727**	**1,602,340**	**37,220,210**	**17,511,001**	**5,729,088**	**958,248**	**22,281,840**	**14,938,370**	**20,027,822**
Previous year	**39,622,242**	**2,708,804**	**4,792,223**	**37,538,823**	**12,972,804**	**5,955,839**	**1,417,642**	**17,511,001**	**20,027,822**	**26,649,437**

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to financial statements for the year ended 31st March, 2013

(in ₹)

11. LONG TERM LOANS AND ADVANCES	31st March 2013	31st March 2012
Security deposits		
Unsecured, considered good	79,000	79,000
	79,000	**79,000**
Other loan and advances		
Prepaid expenses	21,750	8,865,012
Loans to employees	275,958	800,337
Balances with statutory/government authorities - deposits	25,000	25,000
Tax deducted at source (net of provisions)	11,969,277	26,331,050
	12,291,985	**36,021,398**
	12,370,985	**36,100,398**
12. OTHER NON-CURRENT ASSETS		
Deposits with original maturities of more than 12 months *	5,400	-
Accrued interest on fixed deposit	52	-
	5,452	**-**
*Deposits are in respect of securities against bank guarantees issued		
13. TRADE RECEIVABLES		
Unsecured, considered good unless stated otherwise		
Debts outstanding for a period exceeding six months from date they are due for payment		
- Unsecured, considered good	**1,065,277**	510,434
- doubtful	-	-
	1,065,277	**510,434**
Other debts		
- Unsecured, considered good	28,951,408	5,816,080
	28,951,408	**5,816,080**
	30,016,685	**6,326,514**
14. CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash and cheques on hand	2,801,274	-
Bank balances:		
With scheduled banks:		
- in current account	18,678,753	18,047,990
Deposits with original maturities of less than 3 months	-	-
	21,480,027	**18,047,990**
Other bank balance (note (a) below)		
Deposits with original maturities of more than 3 months but less than 12 months *	**-**	1,466,289
	-	1,466,289
	21,480,027	**19,514,279**
* Deposits are in respect of securities against bank guarantees issued		
15. SHORT TERM LOANS AND ADVANCES		
Security Deposits		
Unsecured, considered good	-	2,930,640
	-	**2,930,640**
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	413,252	3,791,781
	413,252	**3,791,781**
Other loan and advances		
Prepaid expenses	15,991,554	19,350,815
Loans to employees	549,380	560,755
Balances with statutory/ government authorities	1,293,361	2,313,089
Tax deducted at source (net of provision)	29,353,797	8,609,033
Excess of fund over provision (provision for gratuity)*	1,438,892	(1,161,751)
	48,626,984	**29,671,940**
	49,040,236	**36,394,361**

*In case of gratuity, as the provision amount is less than the funded amount, the excess is disclosed under loans and advances

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

16. OTHER CURRENT ASSETS	31st March 2013	31st March 2012
Interest accrued on fixed deposits	-	21,336
	-	**21,336**
17. REVENUE FROM OPERATIONS		
Sale of products	-	1,170,000
Traded goods		
Sale of services		
IT/ IT enabled services	215,569,852	345,008,687
	215,569,852	**346,178,687**
Detils of product sold :		
Traded goods sold		
Ticker board	-	1,170,000
	-	**1,170,000**
Details of services rendered -IT/IT enabled services :		
Income from data feed	12,500,568	13,922,248
Consultancy charges	14,500,000	-
Software development charges	-	180,000,000
Income from product services	184,716,159	149,886,439
Other services	3,853,125	1,200,000
	215,569,852	**345,008,687**
18. OTHER INCOME		
Dividend from :		
- Current investments	205,075	129,665
Interest income from		
- Bank deposit account	182,593	159,116
- Others	629,673	435,524
Other misc income	149,918	296,255
Other non-operating Income	2,258,031	1,658,916
	3,425,290	**2,679,475**
19. PURCHASE OF TRADING GOODS		
Details of purchase of traded goods :		
Ticker Boards	-	1,025,071
	-	**1,025,071**
20. EMPLOYEE BENEFIT EXPENSES		
Salaries and bonus (net of recovery)	87,308,709	127,670,450
Contribution to provident fund and other funds	2,532,384	3,961,556
Gratuity	(2,580,184)	57,697
Staff welfare expenses	1,323,312	2,403,225
	88,584,221	**134,092,928**
Employee benefit expenses include research and development expenses		

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to financial statements for the year ended 31st March, 2013

(in ₹)

21. OTHER EXPENSES	31st March 2013	31st March 2012
Data feed expenses	104,862,648	80,461,578
Legal and professional charges	684,708	2,610,290
Rent & service charges	20,544,852	25,764,366
Communication expenses	22,990,130	22,489,028
Payment to auditors (refer note below)	738,820	674,749
Electricity	2,949,838	3,405,745
Managed service charges	10,207,338	10,683,544
Travelling and conveyance	2,523,890	2,144,177
Software licence fees	4,593,484	6,644,662
ROC fees expense	252	412,391
Consideration for cancellation of shares	-	787,075
Advertisement expenses	98,570	2,668,397
Office expenses	3,102,052	3,011,271
Insurance	78,422	125,047
Repairs and maintenance- others	6,009,605	2,243,959
Foreign exchange rate difference(net)	118,100	369,227
Bad debts written off	1,454,071	1,329,831
Loss on sale of fixed assets	243,235	1,665,562
Miscellaneous expenses*	3,518,242	2,208,810
	184,718,257	**169,699,709**
* includes Recruitment charges, Membership and subscription fees, Printing and stationery expenses, Security charges, Business promotion expenses, etc)		
Payment to auditor		
As auditor :		
Audit fee	225,000	225,000
In other capacity		
Taxation matters	318,000	343,249
Other services (certification fees)	195,820	106,500
	738,820	**674,749**
22. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on tangible assets	5,170,539	5,446,474
Amortization of intangible assets	558,549	509,365
	5,729,088	5,955,839
23. FINANCE COSTS		
Interest expense on :		
- borrowings (to holding company on unsecured loan) (Refer note 26)	4,423,192	18,598,208
- others	3,182	6
Bank guarantee charges	2,752	4,399
	4,429,126	18,602,613
24. EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net profit / (loss) after tax for calculation of basic EPS	(64,465,550)	18,231,784
Weighted average number of equity shares basic (nos.)	4,142,500	65,493,354
Weighted average number of equity shares diluted (nos.)	4,142,500	65,503,463
Basic earnings per share	(15.56)	0.28
Diluted earnings per share	(15.56)	0.28
Nominal value of equity share	10/-	10/-

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to financial statements for the year ended 31st March, 2013

25. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Gratuity Plan: The Company has made annual contributions to the Gratuity-cum-Life Assurance (Cash Accumulation) Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the status of the gratuity plan and amounts recognized in the Company's financial statements as at 31st March, 2013:

Statement of profit and loss

Net employees benefit expense recognized in the employee cost

(in ₹)

	31st March 2013	31st March 2012
Current service cost	1,125,902	2,711,777
Interest cost	365,152	780,313
Expected return on plant Assets	(258,982)	(541,054)
Acturial (gain) or loss	(3,812,256)	(2,893,339)
Expense Recognised in P & L	**(2,580,184)**	**57,697**
Actual return on plan assets	**604,869**	**699,510**
Balance sheet		
Benefit asset/liability		
Liability at the end of year	5,646,590	4,173,167
Fair value of the plan assets at the end of year	7,085,482	3,011,416
Plan asset/(liability)	**1,438,892**	**(1,161,751)**
Changes in the present value of the defined benefit obligation are as follows :		
Projected benefit obligation at the beginning of the year	4,173,167	9,458,343
Interest cost	365,152	780,313
Current service cost	1,125,902	2,711,777
Liability transferred in	3,776,189	-
Benefit paid	(327,451)	(6,042,383)
Actuarial (gain) / loss on obligations	(3,466,369)	(2,734,883)
Projected benefit obligation at the end of the year	**5,646,590**	**4,173,167**
Changes in the fair value of plan assets are as follows :		
Fair value of the plan asset at the beginning of the year	3,011,416	6,558,232
Expected return on plan assets	258,982	541,054
Transfer from other company/ Contribution	3,796,648	1,796,057
Benefits paid	(327,451)	(6,042,383)
Actuarial gain / (loss) on plan assets	345,887	158,456
Fair value of plan assets at the end of the year	**7,085,482**	**3,011,416**
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Investments with insurer	100%	100%
The principal assumptions used in determining gratuity obligations for the company's plans are shown below:		
Mortality Table (LIC)	1994-96(Ultimate)	1994-96(Ultimate)
Discount Rate	8.00%	8.50%
Expected rate of return on assets	8.70%	8.50%
Salary escalation rate	7.50%	7.50%
Employee turnover	For 0 to 4 yrs 6% p.a. & 5 yrs and above 2%	For 0 to 5 yrs. 6% p.a. & 6 yrs. above 2%

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

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to financial statements for the year ended 31st March, 2013

(in ₹)

Acturial assumptions for long term compensated absences	31st March 2013	31st March 2012
	Leave Encashment (Unfunded)	Leave Encashment (Unfunded)
Mortality table (LIC)	1994-96(Ultimate)	1994-96(Ultimate)
Discount Rate	8.00%	8.50%
Expected rate of return on assets	8.70%	8.50%
Salary escalation rate	7.50%	7.50%
Employee turnover	For 0 to 4 yrs 6% p.a. & 5 yrs and above 2%	For 0 to 5 yrs. 6% p.a. & 6 yrs. above 2%

26. SEGMENT INOFRMATION

A. Segment reporting

Information given in accordance with the requirement of Accounting Standard 17, on Segment Reporting issued by the Institute of Chartered Accountants of India. Company's business segments are as under:

(i) IT/IT enabled services.

(ii) Trading of goods

B. Segment accounting policies:

Segment accounting disclosures are in line with accounting policies of the Company. However, the following specific accounting policies have been followed for segment reporting.

(i) Segment Revenue includes Sales and other income directly identifiable with/ allocable to the segment.

(ii) Expenses that are directly identifiable with / allocable to segments are considered for determining the Segment result. The expenses which relate to the company as a whole and not allocable to segments are included under "unallocable expenditure"

(iii) Segment assets and liabilities include those directly identifiable with the respective

(iv) The Company has no secondary reportable segment.

C. Segment Results:

Segment-wise result and capital employed for the year are given below:

	PARTICULARS	31st March 2013	31st March 2012
1	**Segment-wise Revenue**		
	IT/ IT enable services	211,716,727	343,808,687
	Trading of goods	3,853,125	2,370,000
	Net sales/income from operation	**215,569,852**	**346,178,687**
2	**Profit/ (loss) before tax & interest**		
	IT/ IT enable services	(62,851,527)	36,924,047
	Trading of goods	(610,188)	(1,518,906)
		(63,461,714)	**35,405,140**
	Less: Interest (net)	4,429,126	18,602,613
	Other Un-allocable expenditure	NIL	NIL
	Un allocable income	(3,425,290)	(2,679,475)
	Total (loss)/ profit before tax	**(64,465,550)**	**19,482,002**
3	**Capital employed**		
	(Segment Assets-Segment liabilities)		
	IT/ IT enable services	(61,788,236)	1,178,324
	Trading of goods	-	1,498,990
	Not allocated –Corporate	NIL	NIL
	Total capital employed	**(61,788,236)**	**2,677,314**

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to financial statements for the year ended 31st March, 2013

27. RELATED PARTY DISCLOSERS

(A) Names of related parties and related party relationship :

(i)	Company whose control exists (Holding Company)	: Financial Technologies (India) Limited (since incorporation)
(ii)	Fellow Subsidiaries (with whom transactions are carried out)	: National Bulk Handling Corporation Limited
		: FT Knowledge Management Company Limited
		: National Spot Exchange Limited
		: Financial Technology Communication Limited
		: Atom Technologies Limited
		: Global Board of Trade Limited
		: Singapore Mercantile Exchange Limited
(iii)	Associates of the Holding Company (where control exists) (with whom transactions are carried)	: Multi Commodity Exchange of India Limited
(iv)	Key Management Personnel (KMP)	: Dewang Neralla (Director)

There is no related parties transactions are carried out during the year ended 31st March 2013 and during the year ended 31st March, 2012 hence the details has not been provided.

Notes

to financial statements for the year ended 31st March, 2013

(B) Related parties transactions :

(in ₹)

		HOLDING COMPANY		FELLOW SUBSIDIARIES		ASSOCIATE COMPANY OF HOLDING CO. (where control exists)		CONTROLLED EMPLOYEE WELFARE TRUST	
	NATURE OF TRANSACTIONS	**31st March 2013**	**31st March 2012**	**31st March 2013**	**31st March 2012**	**31st March 2013**	**31st March 2012**	**31st March 2013**	**31st March 2012**
I	**Sale/Purchase of goods, services and Assets**								
1	Sale of trading goods and installations	-	-	-	-		1,170,000		-
2	Software setup and integration charges	-	180,014,244	1,339,717	1,242,021	6,070,270	2,099,736		-
	and other services charge,Subscription and								
	data feed income				-				-
3	Consulatancy Charges	-	-	14,500,000	-	-	-	-	-
4	Sale of assets	293,786	1,392,357	41,727		23,927	10,887		-
5	Managed service charges paid	9,900,000	9,900,000						
6	Data feed expenses	-	-	108,400	-	3,850,000	3,850,000		-
7	Business support charges paid	307,338	783,543		-		-		-
8	Rent and aminities charges paid	16,901,029	20,408,172	33,172	33,660		-		-
9	Purchase of assets	130,827	5,148	38,981	-	236,401	67,460		-
II	**Interest paid**	4,423,192	18,593,550		-		-		-
III	**Consideraion on Cancellation of shares**	-	787,075		-		-		-
IV	**Other reimbursement of expenses**								
	- Charged by them	13,304,390	16,253,037	13,224,423	12,340,948	195,130	135,197	-	-
	- Charged to them	-	-	229,411	-	978,074	708,662	510	-
V	**Loan taken and repayment thereof**								
	Opening Balances	32,062,000	181,212,000		-		-		-
	Taken during the period	71,800,000	155,850,000		-		-		1,000,000
	Repaid during the year	12,000,000	177,500,000		-		-		1,000,000
	Conversion of Loan into Equity	-	127,500,000		-		-		-
	Closing balance as on 31st March 2013	91,862,000	32,062,000		-		-		-
VI	**Deposits taken and repayment thereof**								
	Deposits refunded		-		-		-		-
VII	**Allotment of equity shares**	-	127,500,000		-		-		1,000,000
VIII	**Corpus fund**		-		-		-		10,000
IX	**Closing Balance**								
	-Debit	-	-	14,662,980	-	1,378,131	-		-
	-Credit	241,445	787,075	-	-	-	-		-

Note: Related party relationship is as identified by the Company and relied upon by the auditors.

NOTES

to financial statements for the year ended 31st March, 2013

28. LEASES

Operating lease commitments : company as lessee

During the year, the company has entered into operating lease for its office. The Lease rentals/reimbursements recognized in the Profit and Loss Account during the year and future minimum lease payments under non-cancelable operating lease are as follows:

(in ₹)

PARTICULARS	31st March 2013	31st March 2012
Lease Rentals	15,000,000	24,899,220
Future minimum lease payments:		
Not later than one year	10,000,000	15,000,000
Later than one year and not later than five years	Nil	10,000,000
Later than five years	Nil	Nil
29. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
b) For commitments relating to lease arrangements, please refer note 27	NIL	NIL
c) Contingent liabilities not provided for	NIL	NIL
	NIL	NIL
30. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Data and membership & subscription fees	58,943,369	37,728,689
Software license fee	928,011	340,299
Professional fee/consultancy charges	-	112,500
Travelling expenses	-	20,182
Others	148,972	123,404
	60,020,352	38,325,073
31. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Subscription charges	750,474	914,987
	750,474	914,987
32. DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	1,055,396	2,109,192
Interest due on above	-	-
	1,055,396	**2,109,192**

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

33. The aggregate amount of revenue expenditure incurred during the year on research and development are shown in the respective heads of account is Rs 16,262,560/- (previous year Rs. 25,644,887/-)

34. "The net worth of the company is negative as at 31st March 2013 but the company has business plans to recover the losses and on the basis of assurance and ongoing support from holding company -FTIL, the company's accounts has been prepared on "going concern" basis."

35. Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For and on behalf of the Board of Directors

Dewang Neralla — Director
R Devarajan — Director

Place : Mumbai
Date : 27.05.2013

DIRECTORS' REPORT

To,
The Members,
Your Directors present the Fourth Annual Report of your Company along with the Audited Statement of the accounts for the Financial Year ended March 31, 2013.

1. FINANCIAL RESULTS AND OPERATIONS:

(in ₹)

Particulars	F.Y. 12-13	F. Y. 11-12
Total Income	-	-
Total Expenditure	24,670	24,302
Profit/(Loss) before Tax	(24,670)	(24,302)
Provision for Tax	-	-
Profit/ Loss after Tax	(24,670)	(24302)
Balance carried to Balance Sheet	(1,52,093)	(1,27,423)

The Company was mainly set-up to clear and settle trades executed on the online platform in different types of contracts in currencies and all other asset classes in ready, forward and futures markets. There were no operations during the year and your Company has incurred a loss of Rs. 24,670/- for the year 2012-13.

2. DIVIDEND

During the year your Company incurred losses, hence no dividend has been recommended.

3. TRANSFER TO RESERVES

No amount is transferred to Statutory Reserves during the year under review in view of absence of adequate profits.

4. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. FIXED DEPSOITS:

The Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

6. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Dewang Neralla, Director of your Company, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
The Board recommends the appointment of Mr. Dewang Neralla in the ensuing Annual General Meeting.
The other Directors continue to be on the Board of your Company.

7. AUDITORS:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.
Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

8. AUDITORS REPORT

The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Your Company is committed for adoption of various energy savings methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations. Your Company also endeavors to carry out In-House R & D activities. During the year under review there was no Foreign Exchange earnings and outgo. There were no exports during the year under review and no exports are foreseen by the Board.

10. PARTICULARS OF EMPLOYEES:

None of the employees of your Company are in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975; hence no such particulars are annexed.

11. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

a) that in the preparation of Annual Accounts for the year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2012-13 and of the loss made by the Company for that period;

c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) that the Annual Accounts of the Company have been prepared on a going concern basis.

12. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by various Authorities, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Shreekant Javalgekar	**Dewang Neralla**
Director	Director

Place: Mumbai
Date : 28.05.2013

ADDENDUM TO THE DIRECTORS' REPORT

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 28th May 2013 shall now be read as under:

7. AUDITORS:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 28th May 2013.

For and on behalf of the Board.

Dewang Neralla	**Devendra Agrawal**
Director	Director

Place : Mumbai
Date : 28.08.2013

INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF **BOURSA INDIA LIMITED.**

REPORT ON THE FINANCIAL STATEMENT

We have audited the accompanying financial statements of BOURSA INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862
Place : Mumbai
Date : 28.05.2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **BOURSA INDIA LIMITED.** on the accounts of the company for the year ended 31st March, 2013.

(i) The Company does not have any fixed assets during the year, hence Paragraph 4 (I) (a), (b) and (c) of the Order are not applicable to the Company.

(ii) The Company does not hold any inventory of raw materials during the year; hence Paragraph 4 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted/taken any loan, secured or unsecured to/ from companies , firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business. The activities of the Company do not involve purchase of inventory and fixed assets and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there was no transaction carried out during the year, pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956. Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company.

(vi) The company has not accepted any deposits from the public during the year and therefore, the provisions of Paragraph 4 (vi) of the Order are not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209(1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Sales Tax, and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Income Tax, Sales Tax and any other statutory dues were outstanding, as at March 31, 2013 for a year of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax and Cess were outstanding, as at March 31, 2013.

(x) The Company is registered for a year less than five years; hence Paragraph 4 (x) of the Order is not applicable to the Company.

(xi) In our opinion and according the information and explanations given to us, the Company has not borrowed any amounts from banks or financial institutions or by issue of debentures and hence, the provision of Paragraph 4 (xii) of the Order is not applicable to the Company.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund / societies.

(xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments , hence Paragraph 4 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short-term basis used for long term investments.

(xviii) The company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act during the year; hence Paragraph 4 (xviii) of the Order is not applicable to the Company.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of the year.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place : Mumbai
Date : 28.05.2013

BALANCE SHEET
as at 31st March 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
Equities and liabilities			
1 Shareholders' funds			
(a) Share capital	2	500,000	500,000
(b) Reserve and surplus	3	(152,092)	(127,423)
		347,908	**372,577**
2 Current liabilities			
(a) Trade payables	4	20,224	19,854
(b) Other current liabilities	5	2,248	2,206
		22,472	**22,060**
		370,380	**394,637**
Assets			
1 Current assets			
Cash and bank balances	6	370,380	394,637
		370,380	**394,637**
		370,380	**394,637**
Summary of significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Dewang Neralla
Director

Place : Mumbai
Date : 28.05.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
(I) Revenue			
Total revenue (I)		-	-
		-	-
(II) Expenses			
Other expenses	7	24,670	24,302
Total expenses (II)		**24,670**	**24,302**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		(24,670)	(24,302)
(IV) Loss before tax		**(24,670)**	**(24,302)**
Tax expense			
- Current tax		-	-
(V) Total tax expensed from continuing operation		-	-
(VI) Loss for the year		**(24,670)**	**(24,302)**
(VII) Earnings per share	8		
Basic		(0.49)	(0.49)
Diluted		(0.49)	(0.49)
Face value per share		10.00	10.00
Summary of significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Dewang Neralla
Director

Place : Mumbai
Date : 28.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

		31.03.2013		31.03.2012	
A.	**Cash flow from operating activities**				
	Net Loss before tax		(24,670)		(24,302)
	Adjustments		-		-
	Operating loss before working capital changes		(24,670)		(24,302)
	Changes in working capital				
	Adjustment for (increase) / decrease in oprating assets				
	Trade and other receivables	-		-	
	Adjustment for increase/(decrease) in operating liabilities				
	Other current liabilities	42		-	
	Trade payables	370		-	
			412		-
	Cash used in operations		(24,258)		(24,302)
	Less: Taxes paid		-		-
	Net cash flow used in operating activities		**(24,258)**		**(24,302)**
B.	**Cash flow from investing activities**		-		-
	Net cash flows from investing activities		-		-
C.	**Cash flow from financing activities**		-		-
	Net cash flows from financing activities		-		-
	Net cash flow during the year		(24,258)		(24,302)
	Net decrease in cash and cash equivalents		(24,258)		(24,302)
	Cash and cash equivalents (opening balance)		394,637		418,939
	Cash and cash equivalents (closing balance)		370,380		394,637

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts . Reconciliation of cash and bank balance with cash and cash equivalent is as follows:

(in ₹)

	31st March 2013	31st March 2012
Cash Balance	-	-
Bank Balances:		
- in current account	370,380	394,637
Cash and bank balance	**370,380**	**394,637**

2. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) " Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
3. Previous year figures have been regrouped, rearranged, reclassified wherever necessary to correspond with the figures of current year as required under revised schedule VI

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Dewang Neralla
Director

Place : Mumbai
Date : 28.05.2013

NOTES

financial statements for the year ended 31st March, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities are classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) “Accounting for Taxes on Income”. Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.5 Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

Contingent Liabilities are disclosed by way of notes to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

(in ₹)

2 SHARE CAPITAL	31st March 2013		31st March 2012	
	Nos	₹	Nos	₹
Authorised:				
Equity shares of ₹ .10/- each	50,000	500,000	50,000	500,000
	50,000	**500,000**	**50,000**	**500,000**
Issued, subscribed & paid up:				
Equity shares of ₹ .10/- each fully paid-up	50,000	500,000	50,000	500,000
	50,000	**500,000**	**50,000**	**500,000**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

(in ₹)

	31st March 2013		31st March 2012	
	Nos	₹	Nos	₹
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**50,000**	**500,000**	**50,000**	**500,000**

The company has only one class of equity shares having par value of ₹10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.

NOTES

financial statements for the year ended 31st March, 2013

b) Shares held by holding company

(in ₹)

	31st March 2013		31st March 2012	
	Nos	₹	Nos	₹
Financial Technologies (India) Ltd.	**50,000**	**500,000**	**50,000**	**500,000**

c) Details of the shareholders holding more than 5% of the shares in the company

(in ₹)

	31st March 2013		31st March 2012	
	Nos	% holding	Nos	% holding
Financial Technologies (India) Ltd.	**50,000**	**100**	**50,000**	**100**

(in ₹)

	31st March 2013	31st March 2012
3 RESERVES AND SURPLUS		
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(127,423)	(103,121)
Add: Loss for the year	(24,670)	(24,302)
Net deficit in the statement of profit and loss	**(152,092)**	**(127,423)**
4 TRADE PAYABLES	20,224	19,854
Trade payables		
(refer note 11 for amount due to small, micro and medium enterprises)		
	20,224	**19,854**
5 OTHER LIABILITIES		
Statutory payables		
TDS payables	2,248	2,206
	2,248	**2,206**
6 CASH AND BANK BALANCES		
Cash and cash equivalents		
Bank balances:		
With scheduled banks		
In current account	370,380	394,637
	370,380	**394,637**
7 Other expenses		
Professional fees	412	-
ROC fees expenses	1,224	918
Bank charges	562	1,324
Payment to auditor (refer details below)	22,472	22,060
	24,670	**24,302**
Details of payment to auditor		
As auditor		
Audit fee	11,236	11,030
In other capacity		
Taxation matters	11,236	11,030
	22,472	**22,060**

NOTES

financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
8 EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net profit / (loss) after tax for calculation of basic EPS	(24,670)	(24,302)
Weighted average number of equity shares basic and diluted (nos.)	50,000	50,000
Basic and diluted earnings per share	(0.49)	(0.49)
Nominal value of equity share	10	10
9 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)		
a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
	NIL	NIL
b) Contingent liabilities not provided for		
	NIL	**NIL**

10 RELATED PARTY DISCLOSERS

(A) Names of related parties and related party relationship :

- (i) Company whose control exists (holding company) : Financial Technologies (India) Limited (since incorporation)
- (ii) Key managerial person : Dewang Neralla (Director)
- (iii) There is no related parties transactions are carried out during the year ended 31st March 2013 and during the year ended 31st March, 2012 hence the details has not been provided.

	31st March 2013	31st March 2012
11 DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
Disclosures as required under Revised Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.		

12 SEGMENT INFORMATION

The company's main objective is to engage in the business of providing online trading platform. The company has considered business segment as primary segment. Thus there is only one identified reportable segment.

13 Figures for the previous year have been regrouped/reclassified, wherever necessary.

For and on behalf of the Board.

Shreekant Javalgekar
Director

Dewang Neralla
Director

Place : Mumbai
Date : 28.05.2013

DIRECTORS' REPORT

To

The Members,

The Directors are pleased to present the Fifth Annual Report of your Company together with the Audited Statements of Accounts for the year ended 31st March 2013.

1. **REVIEW OF OPERATIONS:**

(in ₹)

Particulars	2012-13	2011-12
Total Income	9,37,071	1,54,39,234
Total expenditure	22,52,426	1,06,53,287
Profit/ Loss before tax	(13,15,355)	47,85,947
Total tax expensed from continuing operations	-	8,87,874
Profit / Loss After tax	(13,15,355)	38,98,072
Balance carried to Balance Sheet	(1,26,98,474)	(1,13,83,119)

Your Company has been carrying on the business of conducting research on commodities, which leads to the publications of commodity reports and manuals for trading in commodity derivatives. Your Company also conducts research studies from economics and management of commodity trade, conducts research studies from production to consumption of commodities through all intermediate stages on environmental and developmental economics, analyzes impact of changes in market systems, practices and policies in various spheres of economic and allied activities.

2. **DIVIDEND:**

Since the Company has incurred loss during the year under review, your Directors do not recommend any dividend.

3. **TRANSFER TO RESERVES**

In view of losses during the year, no appropriation is made for Statutory Reserves during the year under review.

4. **SHARE CAPITAL:**

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. **LOANS:**

The unsecured loan of your Company stood at Rs.1,32,00,000 /- as at March 31, 2013.

6. **FIXED DEPOSITS:**

The Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

7. **DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of your Company, Mr. Nilanjan Ghosh, Director of your Company, retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends the appointment of Mr. Nilanjan Ghosh in the ensuing Annual General Meeting.

The other Directors continue to be on the Board of your Company.

8. **AUDITORS:**

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

9. **AUDITORS REPORT:**

The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

10. **CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:**

Your Company has always been conscious about the need for conservation of energy. Energy saving is one of the factor for the economic growth of the country and it remained an area of high priority for your Company. Your Company endeavors to carry out in-House R & D activities. The Company is making efforts to develop its export promotion.

Foreign Exchange earning	:	NIL	(Previous year: NIL)
Foreign Exchange outgo	:	NIL	(Previous year: 79,299/-)

DIRECTORS' REPORT

11. PARTICULARS OF EMPLOYEES:

None of the employees of your Company are in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975; hence no such particulars are annexed.

12. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2012-13 and of the loss of the Company for that period;

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

13. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers. Your Directors also acknowledge the support extended by all the employees for their dedicated work.

For and on behalf of the Board of Directors

Place: Mumbai	**Shreekant Javalgekar**	**Hariraj Chouhan**
Date: 28.05.2013	Director	Director

Addendum to the Directors' Report

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 28th May 2013 shall now be read as under:

8. Auditors:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 28th May 2013.

For and on behalf of the Board of Directors

Place: Mumbai	**Shreekant Javalgekar**	**Hariraj Chouhan**
Date: 28.08.2013	Director	Director

INDEPENDENT AUDITOR'S REPORT

To,

THE MEMBERS OF

TAKSHASHILA ACADEMIA OF ECONOMIC RESEARCH LIMITED

Report on the Financial Statement

We have audited the accompanying financial statements of TAKSHASHILA ACADEMIA OF ECONOMIC RESEARCH LIMITED("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

    a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

    c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

    d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

    e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

    f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For MUKESH P. SHAH & CO.
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place: Mumbai
Date: 28.05.2013

INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **TAKSHASHILA ACADEMIA OF ECONOMIC RESEARCH LIMITED** on the accounts of the company for the year ended 31st March, 2013.

(i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The company has not disposed off any substantial part of fixed assets during the year and accordingly going concern is not affected.

(ii) The Company is a service company; accordingly it does not hold any physical inventories. Hence, Paragraph 4 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted/taken any loan, secured or unsecured to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets and inventory and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transactions carried out during the year, pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956. Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company.

(vi) The company has not accepted any deposits from the public during the year and hence, the provisions of Paragraph 4 (vi) of the Order is not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209 (1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service-tax, and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Provident Fund, Income Tax, Sales Tax, Service-tax and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax and Cess were outstanding, as at March 31, 2013.

(x) The Company is registered for a period less than five years; hence Paragraph 4 (x) of the Order is not applicable to the Company.

(xi) In our opinion and according the information and explanations given to us, the Company has not borrowed any amounts from banks or financial institutions or by issue of debentures and hence, the provision of Paragraph 4 (xii) of the Order is not applicable to the Company.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund / societies.

(xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments , hence Paragraph 4 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short term basis used for long term investments.

(xviii) The company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act during the year; hence Paragraph 4 (xviii) of the Order is not applicable to the Company.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of the year.

For MUKESH P. SHAH & CO.
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place: Mumbai
Date: 28.05.2013

BALANCE SHEET

as at 31st March, 2013

(in ₹)

Particulars				Note No.	31st March 2013	31st March 2012
Equities & liabilities						
1	**Shareholders' funds**					
	(a)	Share capital		2	500,000	500,000
	(b)	Reserve and surplus		3	(12,698,474)	(11,383,119)
					(12,198,474)	**(10,883,119)**
2	**Current liabilities**					
	(a)	Short term borrowings		4	13,200,000	14,900,000
	(b)	Trade payables		5	668,216	499,397
	(c)	Other current liabilities		6	107,525	51,305
					13,975,741	**15,450,702**
					1,777,267	**4,567,583**
Assets						
1	Non-current assets					
	(a)	Fixed assets		7		
		(i)	Tangible assets		24,535	167,303
		(ii)	Intangible assets		33,028	46,108
	(b)	Long term loans and advances		8	2,000	58,735
					59,563	**272,146**
2	**Current assets**					
	(a)	Trade receivable		9	707,868	-
	(b)	Cash and bank balances		10	163,707	597,924
	(c)	Short term loans and advances		11	846,129	3,697,513
					1,717,704	**4,295,437**
					1,777,267	**4,567,583**
Summary of significant accounting policies				1		
The accompanying notes are integral part of the financial statements						

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28.05.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(in ₹)

Particulars		Note No.	31st March, 2013	31st March, 2012
Continuing operation				
(I)	**Revenue**			
	Revenue from operations	12	700,000	14,959,940
	Other income	13	237,071	479,294
	Total revenue (I)		**937,071**	**15,439,234**
(II)	**Expenses**			
	Employee benefit expenses	14	4,186	5,258,770
	Other expenses	15	1,030,937	3,470,063
	Total expenses (II)		**1,035,123**	**8,728,833**
(III)	**Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)**		(98,052)	6,710,401
	Depreciation and amortization	16	35,637	49,184
	Finance cost	17	1,181,666	1,875,270
(IV)	**(Loss)/ Profit before tax**		**(1,315,355)**	**4,785,947**
	Tax expense			
	- Current tax (MAT)		-	905,651
	- Excess provision of tax for earlier years		-	(17,777)
(V)	**Total tax expensed from continuing operation**		**-**	**887,874**
(VI)	**(Loss)/Profit for the year**		**(1,315,355)**	**3,898,072**
(VII)	**Earnings per share**	19		
	Basic		(26.31)	77.96
	Diluted		(26.31)	77.96
	Face value per share		10/-	10/-
Summary of significant accounting policies		1		
The accompanying notes are integral part of the financial statements				

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

Particulars	31st March 2013		31st March 2012	
Continuing operation				
A. Cash flow from operating activities				
Net (Loss)/ profit before tax		**(1,315,355)**		**4,785,947**
Adjustments for:				
Depreciation/ amortisation	35,637		49,184	
Loss on sale of Fixed assets	57,161		(7,166)	
Dividend from investments	-		(42,015)	
Interest expenses	1,181,666		1,875,270	
		1,274,464		1,875,273
Operating (loss) / profit before working capital changes		**(40,891)**		**6,661,220**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivable	(707,868)		692,993	
Long-term loans and advances	56,735		(58,735)	
Short-term loans and advances	342,016		659,445	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	168,819		(731,778)	
Current liabilities	56,220		(303,813)	
Long term provisions	-		(136,871)	
		(84,078)		121,241
Cash (used in) / from operations		**(124,969)**		**6,782,461**
Less: Taxes paid (Net of refund)		2,509,368		493,828
Net cash from operating activities		**2,384,399**		**7,276,289**
B. Cash flow from investing activities				
Sale of fixed assets		63,050		47,180
Purchase of investments (includes dividend reinvestment)		-		(42,015)
Sale of investments		-		3,607,156
Dividend received		-		42,015
Net cash from investing activities		**63,050**		**3,654,336**
C. Cash flow from financing activities				
Proceeds from borrowings		800,000		700,000
Repayment of borrowings		(2,500,000)		(15,000,000)
Interest expense		(1,181,666)		(1,875,270)
Net cash used in financing activities		**(2,881,666)**		**(16,175,270)**
Net cash flow during the year		**(434,217)**		**(5,244,645)**
Net decrease in cash and cash equivalents		**(434,217)**		**(5,244,645)**
Cash and cash equivalents (opening balance)		**597,924**		**5,842,569**
Cash and cash equivalents (closing balance)		**163,707**		**597,924**

CASH FLOW STATEMENT

for the year ended 31st March, 2013

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (Refer note 10) with cash and cash equivalents is as follows:

(in ₹)

	31st March 2013	31st March 2012
Bank balances		
- In current account	163,707	597,924
Cash and bank balances	**163,707**	**597,924**

2. Purchase of fixed Assets are considered as part of investing activities
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) " Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
4. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI.

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28.05.2013

NOTES

to financial statements for the year ended 31st March, 2013

1 Summary of significant accounting policies

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities are classified as current or noncurrent as per the company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Depreciation on tangible assets has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation in respect of assets costing less than ` 5,000 each is fully depreciated in the year of capitalisation

Depreciation on assets sold, discarded or demolished, if any during the period is being provided at their rate up to date in which such assets are sold discarded or demolished.

Intangible assets are amortised over their estimated useful life as follows:

Computer Software – 6 years

1.5 Revenue recognition

Revenue is recognized when no significant uncertainty as to measurement and realization exists.

i) Revenue from market research consultancy service is recognized as per the terms of contract and when services are rendered.

ii) Revenue from advertisement income from publication is recognized as per the terms of contract and when the services are provided.

iii) Income from subscription is recognized on straight line basis over a time of subscription period.

Income from services is stated net of service tax wherever applicable

1.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.7 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.8 Intangible assets

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

1.9 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

"Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Exchange differences arising out of these translations are charged to the Statement of Profit and Loss."

NOTES

to financial statements for the year ended 31st March, 2013

Treatment of exchange differences

"Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currency are carried at historical cost

1.10 Government Grants

Government grants related to revenue are recognized on actual receipt and certainty basis in the profit and loss statement over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are shown separately under the head 'other income'.

1.11 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.12 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative tax (MAT) paid in a year is charged to statement of Profit & Loss Account as current tax. Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

1.13 Impairment of assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss . If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of historical cost or recoverable amount.

1.14 Provisions and contingencies

The Company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

(in ₹)

	31st March 2013		31st March 2012	
2. Share capital	**Nos.**	**₹**	**Nos.**	**₹**
Authorised:				
Equity shares of ₹.10/- each	4,937,500	49,375,000	4,937,500	49,375,000
Preference of ₹.10/- each	62,500	625,000	62,500	625,000
	5,000,000	**50,000,000**	**5,000,000**	**50,000,000**
Issued, subscribed & paid up:				
Equity shares of ₹. 10/- each fully paid-up	50,000	500,000	50,000	500,000
	50,000	**500,000**	**50,000**	**500,000**

NOTES
to financial statements for the year ended 31st March, 2013

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

	31st March 2013		31st March 2012	
	Nos.	**₹**	**Nos.**	**₹**
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	
Outstanding at the end of the year	**50,000**	**500,000**	**50,000**	**500,000**

The company has only one class of equity shares having par value of ₹. 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

b) Shares held by holding company

	31st March 2013		31st March 2012	
	Nos.	**₹**	**Nos.**	**₹**
Financial Technologies (India) Ltd.	50,000	500,000	50,000	500,000

c) Details of the shareholders holding more than 5% of the shares in the company

	31st March 2013		31st March 2012	
	Nos.	**% holding**	**Nos.**	**% holding**
Financial Technologies (India) Ltd.	50,000	100.00	50,000	100.00

(in ₹)

		31st March 2013	31st March 2012
3.	**Reserves and surplus**		
	Surplus /(deficit) in the statement of profit and loss		
	Balance as per last financial statements	(11,383,119)	(15,281,192)
	Add: Profit for the year	(1,315,355)	3,898,073
	Net deficit in the statement of profit and loss	**(12,698,474)**	**(11,383,119)**
4.	**Short-term borrowings**		
	Unsecured loan		
	- from holding company -repayable on demand	13,200,000	14,900,000
	(refer note 18)		
		13,200,000	**14,900,000**
5.	**Trade payables**		
	Trade payables	668,216	499,397
	(refer note 22 for details of dues to micro and small enterprises)		
		668,216	**499,397**
6.	**Other current liabilities**		
	Statutory payables		
	TDS payable	107,515	51,295
	Other (PF)	10	10
		107,525	**51,305**

NOTES

to financial statements for the year ended 31st March, 2013

7. **Fixed assets**

(in ₹)

Particulars	Gross block				Depreciation / amortisation				Net block	
	Cost as at 01.04.12	Additions during the year	Deletion/ Adjustments	Cost as at 31.03.13	Upto 01.04.12	For the Year	Deletions/ Adjustments	Upto 31.03.13	As at 31.03.13	As at 31.03.12
Tangible assets										
Office equipments	41,247	-	27,747	13,500	4,208	1,540	3,762	1,986	11,514	37,039
Computer hardware	156,794	-	137,323	19,471	26,530	21,016	41,096	6,451	13,020	130,264
	198,041	**-**	**165,070**	**32,971**	**30,738**	**22,557**	**44,858**	**8,438**	**24,533**	**167,303**
Intangible assets										
(Other than internally generated)										
Computer software	80,689	-	-	80,689	34,581	13,080	-	47,660	33,029	46,108
	80,689	**-**	**-**	**80,689**	**34,581**	**13,080**	**-**	**47,660**	**33,029**	**46,108**
	278,730	**-**	**165,070**	**113,660**	**65,319**	**35,636**	**44,858**	**56,098**	**57,563**	**213,411**
Previous year	**335,039**	**-**	**56,309**	**278,730**	**25,264**	**49,184**	**9,129**	**65,319**	**213,411**	**309,774**

(in ₹)

	31st March 2013	31st March 2012
8. Long-term loans and advances		
Other Loan and advances		
Prepaid Expenses	2,000	-
Balances with statutory/Government Authorities - Deposits	-	58,735
	2,000	**58,735**
9. Trade receivables		
Other trade receivables		
- Unsecured, considered good	707,868	-
- doubtful	-	-
	707,868	**-**
	707,868	**-**
10. Cash and bank balances		
Cash and cash equivalents		
Bank balances:		
With scheduled banks:		
- in current accounts	163,707	597,924
	163,707	**597,924**
11. Short-term loans and advances		
Advances recoverable in cash or kind or for value to be received		
Unsecured, considered good	-	425,000
	-	**425,000**
Other loan and advances		
Prepaid expenses	4,592	10,337
Balances with statutory/Government Authorities - Deposits	88,729	-
Tax deducted at source (net of provision)	752,809	3,262,177
	846,130	**3,272,514**
	846,130	**3,697,514**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

12. Revenue from operations	31st March 2013	31st March 2012
Sale of services	700,000	14,959,940
	700,000	14,959,940
Details of services rendered		
Income from consultancy services	700,000	13,690,390
Advertising income from publication	-	1,269,550
	700,000	**14,959,940**
13. Other income		
Dividend from:		
- Current investments	-	42,015
Subscription fees	3,400	-
Grant from government (for NABARD Project refer note 24)	-	212,500
Interest on income tax refund	194,100	142,292
Gain on sale of investment (net)	-	7,166
Miscellaneous income	39,571	75,321
	237,071	**479,294**
14. Employee benefit expenses		
Salaries and bonus (net of recovery)	2,021	4,980,342
Contribution to provident fund and other funds	2,093	260,200
Gratuity	-	(59,138)
Staff welfare expenses	72	77,367
	4,186	**5,258,771**
15. Other expenses		
Payment to auditor(refer details below)	138,500	121,000
Legal and professional expenses	553,500	481,277
Travelling and conveyance	-	169,652
Communication expenses	-	114,087
Business promotions expenses	-	1,333,755
Loss on sale of Fixed assets	57,161	-
ROC fees expenses	3,061	5,661
Insurance	34,461	26,599
Managed support services	240,000	244,259
Honorarium charges	-	151,234
Bad debt	-	226,535
NABARD project expenses (refer note 24)	-	386,875
Miscellaneous expenses *	4,253	209,129
*(includes Membership & subscription fees, registration fees, office expenses, books & periodicals, royalty expenses, bank charges, etc.)		
	1,030,936	**3,470,063**
Details of payment to auditor		
As auditor :		
Audit fee	75,000	40,000
In other capacity		
Taxation matters	63,500	73,500
(includes tax audit and other taxation matters)		
Other services	-	7,500
	138,500	**121,000**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

16. Depreciation and amortization expense	31st March 2013	31st March 2012
Depreciation on tangible assets	22,557	36,104
Amortization of intangible assets	13,080	13,080
	35,637	**49,184**

17. Finance cost		
Interest expense on :		
- borrowings (to holding company on unsecured loan)	1,181,666	1,875,270
(Refer note 18)		
	1,181,666	**1,875,270**

18. Related party disclosures

(A) Names of related parties and related party relationship :

(i) Company whose control exists (holding company) : Financial Technologies (India) Limited (since incorporation)

(ii) Fellow subsidiaries:(with whom transactions are carried out) : National Spot Exchange Limited.
FT Knowledge Management Company Limited

(iii) Associates of the holding company (where control exists) (with whom transactions are carried out) : Multi Commodity Exchange of India Limited

(iv) Key management personnel (KMP): : Madhookar Pavaskar (Director)
There are no transactions carried out during the year ended 31st March, 2013 and during the year ended 31st March, 2012, hence the details are not provided.

(B) Related parties transactions :

Nature of transactions	Holding companies		Fellow subsidiaries		Associate company of holding co. (where control exists)	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012	31st March 2013	31st March 2012
	₹	₹	₹	₹	₹	₹
Sale/purchase of goods, services and assets						
Sale of assets	27,346	44,202	12,996	-	5,603	2,978
Management consultancy income	700,000	-		-		13,500,000
Advertisement income		-		150,000		270,000
Legal&Profession fees	553,500					
Interest paid.	1,181,666	1,875,164		-		-
Reimbursement of expenses						
- Charged by them	269,410	2,150,849		-		29,760
Loan taken and repayment thereof						
Opening balances as at the beginning of the year	14,900,000	29,200,000		-		-
Taken during the period	800,000	700,000		-		-
Repaid during the year	2,500,000	15,000,000		-		-
Closing balance as at the end of the year	13,200,000	14,900,000		-		-
Closing balance						
-Credit	559,560			-		-

Related party relationships are as identified by the Company and relied upon by the auditor.

NOTES

to financial statements for the year ended 31st March, 2013

19. Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

(in ₹)

	31st March 2013	31st March 2012
Total operations for the year		
Net profit / (loss) after tax for calculation of basic EPS	(1,315,355)	3,898,072
Weighted average number of equity shares basic (nos.)	50,000	50,000
Weighted average number of equity shares diluted (nos.)	50,000	50,000
Basic earnings per share	(26.31)	77.96
Diluted earnings per share	(26.31)	77.96
Nominal value of equity share	10/-	10/-

20. There were no qualified employees end of the year, hence no funding were made during the year and also no actuarial valuation is carried out as per Accounting Standard - 15 " Accounting for retirement benefits in the financial statements of employees".

21. Contingent liabilities and commitments

(to the extent not provided for)

(in ₹)

		31st March 2013	31st March 2012
a)	Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
b)	Contingent liabilities not provided for	NIL	NIL
		NIL	**NIL**

22. Details of due to micro and small enterprises as defined under the MSMED Act, 2006

(in ₹)

	31st March 2013	31st March 2012
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	**-**

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/ payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/ suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

23. Expenditure in foreign currency (accrual basis)

(in ₹)

	31st March 2013	31st March 2012
Honorarium Charges	-	79,299
	-	**79,299**

24. The company had implemented the project titled "How productive is Agricultural Credit? –A Macro- Level Analysis" in FY 2010-11 for which NABARD had approved a grant of Rs. 850,000/- for implementing the project. The yearwise details of expenses incurred on the project and receipt and receipt of grant are as under:-

Financial Year	Expense Incurred	Grant Received
2010-11	463,125	212,500
2011-12	386,875	212,500
2012-13	Nil	Nil
	850,000	**425,000**

No further grant will be received towards the project as per the closure letter received from NABARD.

NOTES

to financial statements for the year ended 31st March, 2013

25. The Company's objective is to engage in the business of research on commodities and publications of commodity reports and manuals etc. The Company has considered business segment as Primary segment. Thus, there is only one identified reportable segment.

26. During the year the company has incurred losses. The Company has also accumulated losses as at 31st March 2013, and also net worth is negative. The company has plans to achieve higher growth in the business, which would result into achieve higher revenue and improve the profitability and net worth. Accordingly, the accounts have been prepared on going concern basis which is dependent upon future growth of business and profitability.

27. Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For and on behalf of the Board.

Shreekant Javalgekar	**Hariraj Chouhan**
Director	Director

Place : Mumbai
Date : 28.05.2013

DIRECTORS' REPORT

To,
The Members,
Your Directors are pleased to present the Twentieth Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended 31st March, 2013 and the Auditors Report thereon.

1. **Financial Results:**
The Financial Results of your Company for the year ended 31st March, 2013 is summarized below:

(in ₹)

PARTICULARS	F.Y.12-13	F.Y. 11-12
Total Income	4,24,57,217	3,03,74,313
Total Expenditure	3,05,28,510	1,99,25,990
Provision for Taxation	36,85,033	34,64,353
Net Profit/(Loss)	82,43,674	69,83,970

During the year under review, the total revenue of your Company was Rs. 4,24,57,217/- as compared to Rs. 3,03,74,313/- during the previous year an increase of approx. 40%, whereas the net profit for the year increase by 18%. The Company has earned a Net Profit of Rs. 82,43,674/- as compared to Rs. 69,83,970/- during the previous year. Your Company's Net Owned Funds as on 31st March, 2013 was at Rs. 7.16 Crores.

2. **Dividend:**
In order to conserve resources, your Directors do not recommend any dividend for the year under review.

3. **Transfer to Reserves:**
During the year under review an amount of Rs. 8,24,367/- has been transferred to the Statutory Reserves.

4. **Fixed Deposits:**
The Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

5. **Share Capital:**
There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

6. **Directors:**
In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of your Company, Mr. Anil Kumar Choudhary – Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Anil Kumar Choudhary in the ensuing Annual General Meeting.
Mr. Devendra Agrawal was appointed as an Additional Director of your Company with effect from 26th December 2012. In accordance with Section 260 of the Companies Act, 1956, Mr. Agrawal will hold office up to the forthcoming Annual General Meeting. Necessary notice in writing has been received from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. Agrawal as a Director of your Company.
Your Directors recommend the appointment of Mr. Agrawal on the Board of the Company.
Mr. Santosh Dadheech ceased to be a Director of the Company with effect from 26th December 2012. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. Dadheech during his association with the Company.
The other Directors continue to be on the Board of your Company.

7. **Auditors:**
The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.
Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

8. **Auditors' Report:**
The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

9. **Directors' Responsibility Statement:**
Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

a) in preparation of annual accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2012-13 and profit made by the Company for that period;
c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) the Annual Accounts of the Company have been prepared on a going concern basis.

10. Particulars of Employees:

None of the employees of your Company are in receipt of remuneration exceeding the limit laid down in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, hence no such particulars are annexed to this report.

11. Conservation of Energy:

Your Company is committed for adoption of various energy saving methods for Conservation of energy.

12. Technology Absorption and Research & Development:

Your Company endeavors to adopt modern technology to carry on its operations.

13. Foreign Exchange Earnings and Outgo:

During the year under review, there was no foreign exchange outflow from your Company and it had no foreign exchange earnings. The Company being an NBFC, there were no export during the year under review and no export is foreseen.

14. Compliance Certificate:

In accordance with the provisions of Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules 2001, your Company has obtained necessary certificate from a Practicing Company Secretary to that effect. A copy of the same is attached to this report.

15. Acknowledgement:

Your Directors wish to thank and acknowledge the co-operation and assistance extended by the Reserve Bank of India, Government Agencies, Banks and Customers. The Directors also wish to convey their deep appreciation of the contribution made by all employees in the growth of the Company.

For and on behalf of the Board of Directors

Anil Choudhary Director

Hariraj Chouhan Director

Place: Mumbai
Date: 28.05.2013

CS Abdul Karim Kazi
Practicing Company Secretary
Room No.2, 1st Floor, House No.2,
Near Little Flower High School,
Kamgar Road, Andheri (East),
Mumbai - 400 069
e-mail: proagile@pcsllp.com
Tel no: 022- 26846786

CIN: U74990MH2009PLC190379
Paid up Capital: Rs.4,31,43,950

COMPLIANCE CERTIFICATE

To
The Board of Directors,
Apian Finance and Investment Limited
1st Floor, Malkani Chambers,
Off. Nehru Road, Vile Parle (E),
Mumbai- 400099.

I have examined all the relevant books, registers, forms, documents and papers of Apian Finance and Investment Limited (the Company) as required to be maintained under the Companies Act, 1956, (The Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company, for the purpose of issuing a Secretarial Compliance Certificate under section 383A of the Act, read with the Companies (Compliance Certificate) Rules, 2001 (The Rules) for the financial year 1st April 2012 upto 31st March 2013.

Based on such examination as well as information and explanations furnished to me, which to the best of my knowledge and belief were necessary for the purposes of my certification, I hereby certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has duly filed the forms and returns except as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. However, no forms or returns were filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met 9 (Nine) times respectively on 4th April 2012, 28th May 2012, 10th July 2012, 5th October 2012, 15th October 2012, 27th December 2012, 31st January 2013, 18th February 2013 and 6th March 2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. The Company has not passed any board resolution by circulation.
5. The Company has not closed its Register of Members during the year.
6. The Annual General meeting for the financial year ended on 31st March 2012 was held on 24th September 2012 after giving due notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the year.
8. The Company has not advanced any loans to it directors or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries that need to be made in the register maintained under section 301 of the Act.
11. The Company did not seek any approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act, during the year.
12. The board of directors has not issued any duplicate share certificates during the year.
13. The Company has / was :
    (i) not made allotment of securities, however has delivered all share certificate on lodgement thereof for transfer in accordance with the provisions of the Act during the year;
    (ii) not deposited any amount in a separate bank account as no dividend was declared during the year;

(iii) not required to post warrants to any members of the Company as no Dividend was declared during the year;

(iv) no amounts lying in the credit of any account, which is required to be transferred to Investor Education and Protection Fund;

(v) duly complied with the requirements pertaining to Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted.
15. The Company was not required to appoint any Managing Director / Wholetime Director / Manager during the year.
16. The Company has not appointed any sole-selling agents during the year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any equity shares, debentures or other securities during the year.
20. The Company has not bought back any shares during the year.
21. There was no redemption of preference shares or debentures during the year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the year.
24. The amounts borrowed by the Company during the year are within the borrowing limits of the Company and the necessary resolutions as per Section 293(1)(d) of the Act have been passed in a duly convened Extra ordinary general meeting.
25. The Company has not given guarantees or provided securities to other bodies corporate however have made loans and investments during the year. Section 372A of the Act is not applicable to the Company.
26. The Company has not altered the provisions of the memorandum with respect to the situation of the Company's registered office during the year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year.
30. The Company has not altered its Articles of Association during the year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the year, for offences under the Act, as informed to us.
32. As explained to us, the Company did not have any employees during the year under review, thus the question of receiving any money as security from its employees in pursuance of Section 417 of the Act does not arise.
33. As explained to us, the Company did not have any employees during the year under review, thus Section 418 of the Act, does not apply to the company.

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

Place: Mumbai
Date: 28.05.2013

Annexure – A

Registers as maintained by the Company

1. Register of Members u/s 150 of the Act;
2. Register of Directors u/s 303 of the Act;
3. Register of Directors' shareholding u/s 307 of the Act;
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299 and 301 of the Act;
5. Minutes of the General Meetings and Board Meetings u/s 193 of the Act;
6. Attendance Registers of Board and General Body meetings.

Annexure – B

Forms and Returns as filed by the Company, during the year ended on 31st March, 2013.

Sr. No	eform No.	Under Sec.	Date of filing with ROC	SRN No	Particulars
1	20B	159	28.09.2012	P89133771	Annual Return for the AGM held on 24th September 2012
2	66	383A	22.10.2012	P91461020	Compliance Certificate for the year ended 31st March 2012
3	22B	187C (4)	19.11.2012	B61987483	Change in beneficial interest of Shareholder as on 5th October 2012
4	23AC & ACA	220	14.12.2012	Q04377206	Annual Accounts in XBRL format for the year ended 31st March 2012
5	32	303(2)	24.01.2013	B66429317	For appointment of Mr. Devendra Agarwal as the additional director of the company w.e.f 26th December 2012 and Resignation of Mr. Santosh Dadheech from the directorship of the company w.e.f 26th December 2012

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

Place: Mumbai
Date: 28.05.2013

ADDENDUM TO THE DIRECTORS' REPORT

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 28th May 2013 shall now be read as under:

7. Auditors:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 28th May 2013.

For and on behalf of the Board of Directors

Anil Choudhary Director

Hariraj Chouhan Director

Place: Mumbai
Date: 27.08.2013

INDEPENDENT AUDITOR'S REPORT

to the Members of Apian Finance and Investment Limited

To,

THE MEMBERS OF **APIAN FINANCE AND INVESTMENT LIMITED**

Report on the Financial Statement

We have audited the accompanying financial statements of APIAN FINANCE AND INVESTMENT LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place: Mumbai
Date: 28.05.2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of APIAN FINANCE AND INVESTMENT LIMITED on the accounts of the company for the year ended 31st March, 2013.

(i) The Company does not have any fixed assets during the year, hence Paragraph 4(i) (a), (b) and (c) of the Order are not applicable to the Company.

(ii) The Company does not hold any inventory of raw materials during the year; hence Paragraph 4(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted/taken any loan, secured or unsecured to/ from companies , firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transactions carried out during the year, pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956. Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company.

(vi) The company has not accepted any deposits from the public during the year and hence, the provisions of Paragraph 4 (vi) of the Order is not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209 (1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Sales Tax, Service-tax and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Income Tax, Sales Tax, Service-tax and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax and cess were outstanding, as at March 31, 2013.

(x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) In our opinion and according the information and explanations given to us, the Company has not borrowed any amounts from banks or financial institutions or by issue of debentures and hence, the provision of Paragraph 4 (xii) of the Order is not applicable to the Company.

(xii) On the basis of records and documents examined by us, we are of opinion that the Company has maintained adequate documents and records where the Company has granted loans and advances on the basis of security by way of pledged shares and other securities. The Company has not granted any loans and advances against pledge of debentures during the year.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund /societies.

(xiv) According to the information and explanations given to us the Company has not dealt/traded in shares, securities, debentures and other investments during the year. The Company has invested surplus funds in shares and mutual funds. According to the information and explanations given to us proper records have been maintained of the transactions and timely entries have been made therein. The shares and mutual funds have been held by the company in its own name.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short term basis used for long term investments

(xviii) The company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act during the year; hence Paragraph 4 (xviii) of the Order is not applicable to the Company.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place: Mumbai
Date: 28.05.2013

BALANCE SHEET

as at 31st March, 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
Equities and liabilities			
1 Shareholders' funds			
(a) Share capital	2	43,143,950	43,143,950
(b) Reserve and surplus	3	28,491,153	20,247,479
		71,635,103	63,391,429
2 Current liabilities			
(a) Short term borrowings	4	347,551,595	327,000,000
(b) Trade payables	5	214,455	198,540
(c) Other current liabilities	6	806,656	820,643
(d) Short term provisions	7	2,608,340	1,418,776
		351,181,046	329,437,959
		422,816,149	392,829,388
Assets			
1 Non current assets			
(a) Non current investments	8	8,214,063	2,567,233
(b) Long term loans and advances	9	243,575,735	227,890,998
		251,789,798	230,458,231
2 Current assets			
(a) Current investments	10	54,670,045	55,069,869
(b) Cash and bank balances	11	1,624,985	12,820,164
(c) Short term loans and advances	12	114,731,321	94,481,124
		171,026,351	162,371,157
		422,816,149	392,829,388
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Anil Choudhary
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28.05.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
Continuing operation			
(I) Revenue			
Revenue from operations	13	33,838,382	26,192,593
Other income	14	8,618,835	4,181,720
Total revenue (I)		**42,457,217**	**30,374,313**
(II) Expenses			
Other expenses	15	1,621,117	1,088,163
Finance cost	16	28,907,393	18,837,827
Total expenses (II)		**30,528,510**	**19,925,990**
(III) Profit before tax (PBT) (I-II)		**11,928,707**	**10,448,323**
Tax expense			
- Current tax		3,685,033	3,464,000
- Short provision of tax for earlier years		-	353
(IV) Total tax expenses from continuing operation		**3,685,033**	**3,464,353**
(V) Profit for the year (III-IV)		**8,243,674**	**6,983,970**
(VI) Earnings per share	18		
Basic		1.91	1.62
Diluted		1.91	1.62
Face Value Per share		10/-	10/-
Summary of significant accounting policies	1		

See accompanying notes forming part of the financial statements

As per our attached report of even date
For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Anil Choudhary
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

Particulars	31.03.2013		31.03.2012	
A. Cash flow from operating activities				
Net profit before tax		11,928,707		10,448,323
Adjustments for:				
Profit from sale of investments	(1,618,711)		(482,551)	
Diminution in value of investments	472,221		16,674	
Debenture interest income	(6,300,409)		(3,600,850)	
Interest on fixed deposit and others	-		(1,847)	
Dividend income	(699,715)		(95,097)	
		(8,146,614)		(4,163,671)
Operating profit before working capital changes		**3,782,093**		**6,284,652**
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade payables	15,915		(92,658)	
Short-term loans and advances	(13,945,095)		25,225,433	
Other non-current assets	-		1,056,400	
Long-term loans and advances	(15,684,737)		(90,501,481)	
Adjustments for (increase) / decrease in operating liabilities				
Other current liabilities	(13,987)		358,353	
		(29,627,904)		(63,953,952)
Used Cash from operations		(25,845,811)		(57,669,300)
Less: Taxes paid/ provided(net)		(2,495,469)		(3,274,363)
Net cash used in operating activities		**(28,341,280)**		(60,943,663)
B. Cash flow from investing activities				
Purchase of investments		(141,740,758)		(8,129,530)
Proceeds from sale of investments		137,635,141		8,094,508
Interest income on debentures		409		3,600,850
Interest income -others		-		1,847
Dividend income		699,715		95,097
Net cash (used in)/ from investing activities		**(3,405,493)**		**3,662,773**
C. Cash flow from financing activities				
Proceeds from borrowings		165,650,000		189,000,000
Repayment of borrowings		(145,098,405)		(124,500,000)
Net cash from financing activities		**20,551,595**		**64,500,000**
Net cash flow during the year		**(11,195,179)**		**7,219,110**
Net (decrease) / increase in cash and cash equivalents		**(11,195,179)**		**7,219,110**
Cash and cash equivalents (opening balance)		**12,820,164**		**5,601,054**
Cash and cash equivalents (closing balance)		**1,624,985**		**12,820,164**

CASH FLOW STATEMENT

for the year ended 31st March, 2013 (Contd.)

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current and deposit accounts. Reconciliation of cash and bank balance (refer note 11) with cash and cash equivalent is as follows:

(in ₹)

Particulars	31st March 2013	31st March 2012
Cash and cheques on hand	-	3,800,080
Bank balances		
- In current account/overdraft account	1,624,985	9,020,084
Cash and cash equivalents	**1,624,985**	**12,820,164**

2. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard issued(AS 3) " Cash Flow Statement " by The Institute of Chartered Accountants of India.
3. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI.

As per our report of even date attached herewith
For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Anil Choudhary
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28.05.2013

NOTES

to financial statements for the year ended 31st March, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Revenue recognition

Income from Interest :

Revenue is recognized when no significant uncertainty as to determination or realization exists.

All income and expenditure items having a material bearing on the financial statement are recognized on accrual basis subject to the Reserve Bank of India Guidelines applicable to the Non Banking Financial Companies in respect of prudential norms for income recognition & assets classification.'

1.5 Other income

Interest on debenture is recognised on accrual basis on pro-rata basis as per coupen rate. Dividend income is accounted for when the right to receive it is established.

1.6 Investments

Investments are classified as current investments and non-current (long-term) investments. Current investments are carried at the lower of cost and quoted/fair value. Longterm investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.7 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to statement of profit & loss.

1.8 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) “Accounting for Taxes on Income”. Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.9 Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

2. SHARE CAPITAL	31st March 2013		31st March 2012	
	Nos.	₹	Nos.	₹
Authorised:				
Equity shares of ₹10/- each	49,600,000	496,000,000	49,600,000	496,000,000
Preference Shares of ₹100/- each.	40,000	4,000,000	40,000	4,000,000
	49,640,000	**500,000,000**	**49,640,000**	**500,000,000**
Issued, subscribed & paid up:				
Equity shares of ₹10/- each fully paid-up	4,314,395	43,143,950	4,314,395	43,143,950
	4,314,395	**43,143,950**	**4,314,395**	**43,143,950**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

(in ₹)

	31st March 2013		31st March 2012	
	Nos.	₹	Nos.	₹
At the beginning of the year	4,314,395	43,143,950	4,314,395	43,143,950
Issued during the year	-	-	-	-
Outstanding at the end of the year	**4,314,395**	**43,143,950**	**4,314,395**	**43,143,950**

The company has only one class of equity shares having par value of Rs 10/- each. Each holder of equity share is entitled to one vote per share. In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

b) Shares held by holding company

(in ₹)

	31st March 2013		31st March 2012	
	Nos.	₹	Nos.	₹
Financial Technologies (India) Ltd.	**4,313,845**	**43,138,450**	4,313,845	43,143,950

c) Details of the shareholders holding more than 5% of the shares in the company

(in ₹)

	31st March 2013		31st March 2012	
	Nos.	% holding	Nos.	% holding
Financial Technologies (India) Ltd.	**4,313,845**	**99.99%**	4,313,845	99.99%

(in ₹)

3. RESERVES AND SURPLUS	31st March 2013	31st March 2012
Surplus in the statement of profit and loss		
Balance as per last financial statements	17,062,959	10,777,422
Add : Profit for the year	8,243,674	6,983,970
	25,306,633	**17,761,391**
Less : Appropriations to statutory reserve	(824,367)	(698,432)
Net surplus in the statement of profit and loss	**24,482,266**	**17,062,959**
Other reserves		
Securities premium account	1,201,750	1,201,750
Statutory Reserve* :		
Balance as per last balance sheet	1,982,769	1,284,337
Add: Transfer from statement of profit & loss	824,367	698,432
	2,807,137	**1,982,769**
	28,491,153	**20,247,479**

** (The reserve is created as per requirement prescribed by the Reserve Bank of India for non banking financial corporation)*

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

4. SHORT-TERM BORROWINGS	31st March 2013	31st March 2012
Unsecured loan		
- from holding company -repayable on demand	347,551,595	327,000,000
(refer note 17)		
	347,551,595	**327,000,000**
5. TRADE PAYABLES		
Trade payables	214,455	198,540
(refer note 20 for details of dues to micro and small enterprises)		
	214,455	**198,540**
6. OTHER CURRENT LIABILITIES		
Statutory remittances	806,656	662,012
TDS payables	-	158,631
Others payable	**806,656**	**820,643**
7. SHORT-TERM PROVISIONS		
Provision for income tax (net of advance tax)	2,608,340	1,418,776
	2,608,340	**1,418,776**
8. NON-CURRENT INVESTMENT		
Non-trade		
(A) Quoted - in Shares		
(1) 20 (previous Year: 20) equity shares of ₹10/- each fully paid-up of Sanofi India Limited	27,251	27,251
(2) 150 (previous Year: 150) equity shares of ₹2/- each fully paid-up of Britannia Industries Limited	44,422	44,422
(3) 600 (previous Year: 600) equity shares of ₹10/- each fully paid-up of First Source Solution Limited	10,800	10,800
(4) 10 (previous Year: 10) equity shares of ₹10/- each fully paid-up of ICICI Bank Limited.	11,127	11,127
(5) 250 (previous Year: 50) equity shares of ₹2/- each fully paid-up of LIC Housing Finance Limited	18,584	18,584
(6) 100 (previous Year: 100) equity shares of ₹2/- each fully paid-up of Adani port and Special Economic Zone Limited.	13,646	13,646
(7) 50 (previous Year: 50) equity Shares of ₹10/- each fully paid-up of State Bank of Bikaner & Jaipur	16,409	16,409
	142,239	142,240
(B) Unquoted		
(a) - in shares		
(1) 227,272 (previous Year: 227,272) equity shares of ₹10/- each fully paid-up of Edelweiss Assets Reconstruction Company Limited.	2,272,720	2,272,720
(2) 20 (previous Year: 20) equity Shares of `50/- each fully paid-up Nagpur Nagrik Sahakari Bank Limited	1,010	1,010
	2,273,730	2,273,730
(b) -in mutual funds		
(1) 1,302.195 (previous Year 3,547.5550) units of ₹10/- each of HDFC Tax Saver-Dividend Option Reinvest	49,321	130,014
(2) Nil (previous Year 3,000) units of ₹10/- each of Reliance Long Term Equity Fund-Growth Option	-	21,250
(3) 9,240.2457 (previous year Nil) units of ₹10/- each in HDFC Liquid Fund - Growth	212,000	-
(4) 3,23,862.795 (previous Year Nil) units of ₹10/- each of 'Reliance Medium Term Fund - Daily Dividend Plan - Dividend ReInvestment	5,536,773	-
	5,798,094	**151,264**
	8,214,063	**2,567,233**
Note:		
1) Aggregate value of quoted investments	142,239	142,240
2) Aggregate Value of unquoted investments	2,273,730	2,424,994
3) Aggregate market value of listed and quoted investments	237,633	246,480

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

9. LONG-TERM LOANS AND ADVANCES	31st March 2013	31st March 2012
Other loan and advances		
- Others (Unsecured, considered good)	234,700,867	227,890,998
- Loans to related party (unsecured, considered good) (Refer note no. 17)	8,874,868	-
	243,575,735	**227,890,998**
	243,575,735	**227,890,998**
10. CURRENT INVESTMENT		
I Current portion of long term investments (at cost)		
-in debentures		
(1) 450,000 (previous year 450,000) 8% debenture of ₹100/- each in DSRM Embedded Technologies (I) Pvt. Ltd	45,000,000	45,000,000
(2) Nil (previous year: 30) 8.25% debenture of ₹170/- each in Britannia Industries Limited	-	5,100
	45,000,000	**45,005,100**
II Other current investments		
(A) Quoted		
-in shares		
(1) 6,022 (previous Year: 5,224) equity shares of ₹5/- each fully paid-up in Greenply Industries Limited	1,153,362	990,604
(2) Nil (previous Year: 1,958) equity Shares of ₹2/- each fully paid-up in Indiabulls Real Estate Limited	-	244,565
(3) 4,589 (previous Year: 5,237) equity shares of ₹2/- each fully paid up in Balkrishna Industries Ltd.	820,271	776,521
(4) Nil (previous Year: 6,342) equity shares of ₹2/- each fully paid up in Redington India Limited	-	495,908
(5) 1046 (previous Year: 366) equity shares of ₹10/- each fully paid up in Shriram Transport Finance Company Limited	557,304	183,214
(6) 4,594 (previous Year: 4,594) equity shares of ₹2/- each fully paid up in Dhanuka Agritech Limited	406,062	406,062
(7) 2,663 (previous Year: 3,386) equity shares of ₹10/- each fully paid up in Setco Automotive Limited	273,150	520,964
(8) Nil (previous Year: 3,283) equity shares of ₹2/- each fully paid up in Jagran Prakashan Limited	-	365,607
(9) 2,381 (previous Year: 2,835) equity shares of ₹5/- each fully paid up in Astral poly Technik Limited	435,763	509,610
(10) 4,149 (previous Year: 4,149) equity shares of ₹10/- each fully paid up in Hindustan Media Ventures Limited	534,419	534,419
(11) Nil (previous Year: 5,776) equity shares of ₹10/- each fully paid up in Indiabulls Infrastructure and power Limited	-	27,486
(12) 4,916 (previous Year: 1,974) equity shares of ₹2/- each fully paid up in Lumax Auto Technologies Limited	648,912	296,483
(13) 2,498 (previous Year: 2,498) equity shares of ₹2/- each fully paid up in Supreme Industries Limited	492,941	492,941
(14) 2,172 (previous Year: Nil) equity shares of ₹1/- each fully paid up in Motherson Sumi Systems Limited	244,324	-
(15) 4,772 (previous Year: Nil) equity shares of ₹10/- each fully paid up in Net 4 India Ltd	284,057	-
(16) 10,356 (previous Year: Nil) equity shares of ₹1/- each fully paid up in City Union Bank	510,675	-
(17) 3,678 (previous Year: Nil) equity shares of ₹2/- each fully paid up in HSIL Limited	335,250	-
(18) 8,299 (previous Year: Nil) equity shares of ₹1/- each fully paid up in Sundram Fasteners Limited	336,109	-
(19) 4,095 (previous Year: Nil) equity shares of ₹2/- each fully paid up in KPIT Kummins Infosystems Limited	393,325	-
(20) 2,242 (previous Year: Nil) equity shares of ₹2/- each fully paid up in Nava Bharat Ventures Limited	372,957	-
(21) 535 (previous Year: Nil) equity shares of ₹10/- each fully paid up in Shriram City Union Finance Limited	566,671	-
(22) 1,593 (previous Year: Nil) equity shares of ₹10/- each fully paid up in TD Power Systems Limited	394,030	-
	8,759,582	**5,844,386**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

	31st March 2013	31st March 2012
(B) Unquoted		
-in mutual funds		
1) Nil (previous year 82,409.6095) units of ₹10/- each in HDFC CM 'Treasury Adv.- Wholesale plan-Growth	-	1,803,024
2) Nil (previous year 232,288.778) units of ₹10/- each in ICICI Pru Banking & PSU Debt Fund-PP Growth	-	2,417,360
3) 37,074.9468 (previous year Nil) units of ₹10/- each in HDFC CMF - Treasury Advantage-Retail Plan	910,463	-
	910,463	**4,220,383**
	54,670,045	**55,069,869**
Note:		
1) Aggregate value of quoted investments	8,759,582	5,844,386
2) Aggregate Value of unquoted investments	45,910,463	49,225,483
3) Aggregate market value of listed and quoted Investments	11,707,060	5,923,294
4) Aggregate provision for diminution in the value of other current investments	472,221	16,674
11. CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	-	3,800,080
Bank balances:		
With scheduled banks:		
- in Current Account	1,624,985	9,020,084
	1,624,985	**12,820,164**
12. SHORT-TERM LOANS AND ADVANCES		
Other loan and advances		
- Others - (Unsecured, considered good)	108,532,748	94,481,124
- Loans to related party (unsecured, considered good)	5,765,061	-
(Refer note no. 17)		
Other receivables	433,513	-
	114,731,321	**94,481,124**
13. REVENUE FROM OPERATIONS		
Other operating revenue	33,838,382	26,192,593
	33,838,382	**26,192,593**
14. OTHER INCOME		
Dividend from:		
- Current investments	663,235	76,063
- Long-term investments	36,480	19,034
Interest income from:		
- Bank deposit accounts	-	1,847
- Debenture	6,300,409	3,600,850
Profit on sale of mutual fund (net)	76,746	-
Net gain on sale of :		
- Current investments	1,541,965	482,551
Miscellaneous income	-	1,375
	8,618,835	**4,181,720**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

15. OTHER EXPENSES	31st March 2013	31st March 2012
Managed services charges	134,832	132,360
Payment to auditor (refer details below)	240,586	248,517
Diminution in valuation of investments.	472,221	16,674
Legal and professional charges	727,044	561,615
ROC fees expenses	2,044	1,530
Membership, subscription & fees	28,090	27,575
Miscellaneous expenses*	16,300	99,892
	1,621,117	**1,088,163**
(includes bank charges and commission, STT charges and demat charges etc.)*		
Details of payment to auditor		
As auditor:		
Audit fee	143,025	137,875
In other capacity		
Taxation matters	97,051	110,300
(includes tax audit fees and other taxation fees)		
Other services	510	342
	240,586	**248,517**
16. FINANCE COST		
Interest expenses on:		
- borrowings (to holding company on unsecured loan)	28,831,922	18,768,087
- others	75,471	69,740
	28,907,393	**18,837,827**

17. RELATED PARTY DISCLOSERS

(A) Names of related parties and related party relationship:

(i) Company whose control exists (Holding Company) : Financial Technologies (India) Limited

(ii) Fellow Subsidiaries (with whom transactions are carried out) : National Bulk Handling Corporation Limited
: Atom Technologies Limited

(iii) Key Management Personnel (KMP) : Anil Choudhary (Director)

There is no related parties transactions are carried out during the year ended 31st March 2013 and during the year ended 31st March, 2012 hence the details has not been provided.

NOTES

to financial statements for the year ended 31st March, 2013

(B) Related parties transactions :

(in ₹)

Nature of Transactions	Holding Company		Fellow Subsidiaries	
	31st March 2013	31st March 2012	31st March 2013	31st March 2012
Managed service charges paid	134,832	132,360	-	-
Interest paid	28,831,922	18,768,087	-	-
Interest Received	-	-	130,738	-
Reimbursement of other expenses				
- Charged by them	-	-	-	-
- Charged to them	-	-	136,289	120,854
Loan taken and repayment thereof				
Opening Balances as on 1st April 2012	327,000,000	262,500,000	-	-
Taken during the period	165,650,000	189,000,000	-	-
Repaid during the year	145,098,405	124,500,000	-	-
Conversion of Loan into Equity	-	-	-	-
Closing balance as on 31st March 2013	347,551,595	327,000,000	-	-
Loan given and repayment thereof				
Opening Balances as on 1st April 2012	-	-	-	-
Given during the period	-	-	15,000,000	-
Repaid during the year	-	-	360,072	-
Closing balance as on 31st March 2013	-	-	14,639,928	-
Closing Balance				
- Debit (excluding loan payable)	-	-	13,563	-
- Credit	347,551,595	327,000,000	-	-

Note: Related party relationship is as identified by the Company and relied upon by the auditors.

(in ₹)

18. EARNINGS PER SHARE (EPS)	31st March 2013	31st March 2012
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net profit after tax for calculation of basic EPS	8,243,674	6,983,970
Weighted average number of equity shares basic (nos.)	4,314,395	4,314,395
Weighted average number of equity shares diluted (nos.)	4,314,395	4,314,395
Basic earnings per share	1.91	1.62
Diluted earnings per share	1.91	1.62
Nominal value of equity share	10/-	10/-
19. Contingent liabilities and commitments (to the extent not provided for)		
a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
b) Contingent liabilities not provided for	NIL	NIL
	NIL	NIL
20. Details of due to micro and small enterprises as defined under the MSMED Act, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

NOTES

to financial statements for the year ended 31st March, 2013

21. The company's main object is to engage in the business of Financing activities. The Company has considered business segment as Primary segment. Thus, there is only one identified reportable segment.

22. Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For and on behalf of the Board.

Anil Choudhary	**Hariraj Chouhan**
Director	Director

Place: Mumbai
Date: 28.05.2013

DIRECTORS' REPORT

To,

The Members,

Your Directors present the Fifth Annual Report of your Company along with the Audited Statement of the accounts for the Financial Year ended 31st March, 2013.

1. FINANCIAL RESULTS AND OPERATIONS:

The Financial performance of your Company for the year ended 31st March, 2013 is summarized below:

(in ₹)

Particulars	FY 12-13	FY 11-12
Total Income	-	-
Total Expenditure	38,576	34,142
Loss before Tax	(38,576)	(34,142)
Provision for Tax	-	-
Loss after Tax	(38,576)	(34,142)
Balance carried to Balance Sheet	(5,59,324)	(5,20,748)

The Company is carrying on business of all kinds of financial, commercial, trading and other operations, financing and advancing loans to all entities and has undertaken all businesses permitted by RBI.

During the year under review there were no operations carried out by your Company and thus no revenue has been generated. Further the loss after tax of your Company is Rs. 38,576/- for the year under review.

2. DIVIDEND:

Since the Company has incurred loss during the year under review, your Directors do not recommend any dividend.

3. TRANSFER TO RESERVES

No amount is transferred to Statutory Reserves during the year under review.

4. SHARE CAPITAL:

There is no change in the issued and paid-up share capital of your Company during the year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. FIXED DEPOITS:

The Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

6. LOAN

The Company has an unsecured loan of Rs.1,50,000/- as on 31st March 2013.

7. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Shreekant Javalgekar, Director of the Company, retires by rotation and being eligible offers himself for re-appointment. The Board recommends the appointment of Mr. Shreekant Javalgekar in the ensuing Annual General Meeting.

The other Directors continue to be on the Board of your Company.

8. AUDITORS:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

9. AUDITORS REPORT:

The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Your Company is committed for adoption of various energy savings methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations.

Considering the nature of your Company's business there were no exports during the year under review and no exports are foreseen. During the year under review there was no Foreign Exchange Earnings and outgo.

11. PARTICULARS OF EMPLOYEES:

None of the employees of your Company are in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, hence no such particulars are annexed.

12. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2012-13 and of the loss of the Company for that period;

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

13. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Dewang Neralla	**Devendra Agrawal**
Director	Director

Place: Mumbai
Date: 28.05.2013

ADDENDUM TO THE DIRECTORS' REPORT

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 28th May 2013 shall now be read as under:

8. AUDITORS:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 28th May 2013.

For and on behalf of the Board of Directors

Dewang Neralla	**Devendra Agrawal**
Director	Director

Place: Mumbai
Date: 27.08.2013

INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF **TRANS-GLOBAL CREDIT & FINANCE LIMITED.**

REPORT ON THE FINANCIAL STATEMENT

We have audited the accompanying financial statements of TRANS-GLOBAL CREDIT & FINANCE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
    a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
    b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
    c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
    d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
    e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
    f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
PARTNER
Membership No.: 033862

Place: Mumbai
Date: 28.05.2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **TRANS-GLOBAL CREDIT & FINANCE LIMITED** on the accounts of the company for the year ended 31st March, 2013.

(I) The Company does not have any fixed assets during the year, hence Paragraph 4 (I) (a), (b) and (c) of the Order are not applicable to the Company.

(ii) The Company does not hold any inventory of raw materials during the year; hence Paragraph 4 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted/taken any loan, secured or unsecured to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business. The activities of the Company do not involve purchase of fixed assets and inventory and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transaction carried out during the year , pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956 .Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company.

(vi) The company has not accepted any deposits from the public during the year and therefore, the provisions of Paragraph 4 (vi) of the Order are not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209(1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Sales Tax, Service-tax and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Income Tax, Sales Tax, Service-tax and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax and Cess were outstanding, as at March 31, 2013.

(x) The Company's accumulated losses at the end of the financial year are more than fifty percent of net worth of the Company. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according the information and explanations given to us, the Company has not borrowed any amounts from banks or financial institutions or by issue of debentures and hence, the provision of Paragraph 4 (xii) of the Order is not applicable to the Company.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund/societies.

(xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments, hence Paragraph 4 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short-term basis used for long term investments

(xviii) The company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act during the year; hence Paragraph 4 (xviii) of the Order is not applicable to the Company.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of the year.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
PARTNER
Membership No.: 033862

Place: Mumbai
Date: 28.05.2013

BALANCE SHEET
as at 31st March, 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
Equities & liabilities			
1 Shareholders' funds			
(a) Share capital	2	500,000	500,000
(b) Reserve and surplus	3	(559,324)	(520,748)
		(59,324)	**(20,748)**
2 Current liabilities			
(a) Short term borrowings	4	150,000	100,000
(b) Trade payables	5	20,224	19,854
(c) Other current liabilities	6	2,877	2,455
		173,101	**122,309**
		113,777	**101,561**
Assets			
1 Current assets	7	113,777	101,561
Cash and bank balances		**113,777**	**101,561**
		113,777	**101,561**
Summary of significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our attached report of even date

For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place: Mumbai
Date: 28.05.2013

For and on behalf of the Board

Dewang Neralla
Director

Shreekant Javalgekar
Director

Place: Mumbai
Date: 28.05.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
Continuing operation			
(I) Revenue		-	-
Total revenue (I)		-	-
(II) Expenses			
Other expenses	8	25,488	24,142
Total expenses		**25,488**	**24,142**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I - II)		(25,488)	(24,142)
Finance cost	9	13,088	10,000
(IV) Loss before tax		**(38,576)**	**(34,142)**
Tax expense		-	-
(V) Total tax expensed from continuing operation		-	-
(VI) Loss for the year		**(38,576)**	**(34,142)**
(VII) Earnings per share	11		
Basic		(0.77)	(0.68)
Diluted		(0.77)	(0.68)
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our attached report of even date

For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place: Mumbai
Date: 28.05.2013

For and on behalf of the Board

Dewang Neralla
Director

Shreekant Javalgekar
Director

Place: Mumbai
Date: 28.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

Particulars	31st March 2013		31st March 2012	
A. Cash flow from opearting activities				
Net loss before tax		(38,576)		(34,142)
Adjustments for:				
Interest expenses	13,088		10,000	
		13,088		10,000
Operating loss before working capital changes		**(25,489)**		**(24,142)**
Changes in working capital:				
Adjustments for increase/ (decrease) in operating liabilities:				
Trade payables	370		-	
Other current liabilities	422		52	
		792		52
Cash used in operating activities		**(24,696)**		**(24,090)**
Less: Taxes paid		-		-
Net cash used in operating activities		**(24,696)**		**(24,090)**
B. Cash flow from investing activities		-		-
Net cash from/ (used in) investing activities		-		-
C. Cash flow from financing activities				
Proceeds from borrowings		50,000		-
Interest expense		(13,088)		(10,000)
Net cash from/ (used in) financing activities		**36,912**		**(10,000)**
Net cash flows during the year		**12,216**		**(34,090)**
Net increse/ (decrease) in cash and cash equivalents		**12,216**		**(34,090)**
Cash and cash equivalents (opening balance)		**101,561**		**135,650**
Cash and cash equivalents (closing balance)		**113,777**		**101,561**

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (refer note 7) with cash and cash equivelant is as follows:

(in ₹)

Bank balances:	31st March 2013	31st March 2012
- in current account	113,777	101,561
Cash and bank balance	**113,777**	**101,561**

2. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
3. Previous years figures have been regrouped, rearranges, reclassified wherever necessary to correspond with the figures of the current year as required under revised schedule VI

As per our attached report of even date

For Mukesh P. Shah & Co.
Chartered Accountants

Mukesh P. Shah
Partner
Membership No.: 033862

Place: Mumbai
Date: 28.05.2013

For and on behalf of the Board

Dewang Neralla
Director

Shreekant Javalgekar
Director

Place: Mumbai
Date: 28.05.2013

NOTES

to the financial statement for the year ended 31 March, 2013

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or noncurrent as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.5 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.6 Provisions and contingencies

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent liabilities are disclosed by way of notes to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

NOTES

to the financial statement for the year ended 31 March, 2013

(in ₹)

	31st March 2013		31st March 2012	
2: SHARE CAPITAL	Nos.	₹	Nos.	₹
Authorised:				
Equity shares of Rs 10/- each	2,990,000	29,900,000	2,990,000	29,900,000
0% Redeemable preference shares of Rs 10/- each	10,000	100,000	10,000	100,000
	3,000,000	**30,000,000**	**3,000,000**	**30,000,000**
Issued, subscribed & paid up:				
Equity shares of Rs 10/- each fully paid-up	50,000	500,000	50,000	500,000
	50,000	**500,000**	**50,000**	**500,000**
a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.				
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**50,000**	**500,000**	**50,000**	**500,000**
The company has only one class of equity shares having par value of Rs 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.				
b) Shares held by holding company				
Financial Technologies (India) Ltd.	**50,000**	**500,000**	**50,000**	**500,000**
c) Details of the shareholders holding more than 5% of the shares in the company	Nos.	% holding	Nos.	% holding
Financial Technologies (India) Ltd.	**50,000**	**100**	**50,000**	**100**
3: RESERVES AND SURPLUS				
Surplus /(deficit) in the statement of profit and loss				
Balance as per last financial statements		(520,748)		(486,607)
Add: loss for the year		(38,576)		(34,142)
Net deficit in the statement of profit and loss		**(559,324)**		**(520,748)**
4: SHORT TERM BORROWINGS				
Unsecured loan				
- from holding company -repayable on demand (refer note no. 10)		150,000		100,000
		150,000		**100,000**
5: TRADE PAYABLES				
Trade payables (refer note 13 for details of dues to micro and small enterprises)		20,224		19,854
		20,224		**19,854**
6: OTHER LIABILITIES				
Statutory payables				
TDS payables		2,877		2,455
		2,877		**2,455**
7: CASH AND BANK BALANCES				
Cash and cash equivalents				
Bank balances:				
With scheduled banks:		113,777		101,561
- in current account		**113,777**		**101,561**

NOTES

to the financial statement for the year ended 31 March, 2013

(in ₹)

8: OTHER EXPENSES	31st March 2013	31st March 2012
Payment to auditor (refer details below)	22,472	22,060
Legal and professional charges	412	-
ROC fees	2,042	1,530
Bank charges	562	552
	25,488	**24,142**
Details of payment to auditor		
As auditor:		
Audit fee	11,236	11,030
In other capacity	-	-
Taxation matters	11,236	11,030
	22,472	**22,060**
9: FINANCE COST		
Interest expenses		
- to holding company on unsecured loan	13,088	10,000
	13,088	**10,000**

10: RELATED PARTY DISCLOSURES

(A) Names of related parties and related party relationship :

(i) Company whose control exists (holding company): Financial Technologies (India) Limited (since incorporation)

(ii) Fellow subsidiaries (with whom transactions are carried out)

There are no transactions carried out during the year ended 31st March, 2013 and during the year ended 31st March, 2012, hence the details are not provided.

(iii) Key management personnel (KMP): Dewang Neralla (Director)

There are no transactions carried out during the year ended 31st March, 2013 and during the year ended 31st March, 2012, hence the details are not provided.

(B) Related parties transactions :

(in ₹)

	Holding companies	
Nature of transactions	**31st March 2013**	**31st March 2012**
Interest paid	13,088	10,000
Other reimbursement of expenses		
- Charged by them	-	-
Loan taken and repayment thereof		
Opening balances as at the beginning of the year	100,000	100,000
Taken during the period	50,000	-
Repaid during the year	-	-
Closing balance as at the end of the year	150,000	100,000

Note: Related party relationship is as identified by the company and relied upon by the auditor.

(in ₹)

11: EARNINGS PER SHARE (EPS)	31st March 2013	31st March 2012
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net (Loss) after tax for calculation of basic EPS	(38,576)	(34,142)
Weighted average number of Equity Shares Basic (Nos.)	50,000	50,000
Weighted average number of Equity Shares Diluted (Nos.)	50,000	50,000
Basic Earnings per share	(0.77)	(0.68)
Diluted Earnings per share	(0.77)	(0.68)
Nominal value of equity share	10/-	10/-

NOTES

to the financial statement for the year ended 31 March, 2013

(in ₹)

12: CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)	31st March 2013	31st March 2012
a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
b) Contingent liabilities not provided for	NIL	NIL
	NIL	**NIL**
13: DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	**-**

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

14: The company is engaged in the business of financing. The company has considered business segment as primary segment. Thus there is only one identified reportable segment.

15: Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For and on behalf of the Board

Dewang Neralla	**Shreekant Javalgekar**
Director	Director

Place: Mumbai
Date: 28.05.2013

DIRECTORS' REPORT

To,
The Members,
Your Directors present the Fifth Annual Report of your Company with the Audited Statement of Accounts for the financial year ended March 31, 2013.

1. REVIEW OF OPERATIONS

(in ₹)

Particulars	F.Y. 12-13	F.Y. 11-12
Total Income	–	498
Total expenditure	2,34,572	11,62,963
Loss before tax	(2,34,572)	(11,62,465)
Provisions for Taxes	–	–
Loss After tax	(2,34,572)	(11,62,465)
Balance carried to Balance Sheet	(5,26,51,654)	(5,24,17,082)

During the year under review there were no operations carried out by your Company and thus no revenue has been generated. Further the loss after tax of your Company is ₹ 2,34,572/- for the year under review.

2. DIVIDEND
Since the Company has incurred loss during the year under review, your Directors do not recommend any dividend.

3. TRANSFER TO RESERVES
No amount is transferred to Statutory Reserves during the year under review.

4. SHARE CAPITAL
There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. LOANS
As at March 31, 2013, the Unsecured Loans stood at ₹ 19,00,000/-.

6. FIXED DEPOSITS
Your Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.:

7. DIRECTORS
In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Shreekant Javalgekar, Director of your Company, retires in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends the appointment of Mr. Shreekant Javalgekar in the ensuing Annual General Meeting.
The other Directors continue to be on the Board of your Company.

8. AUDITORS
The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.
Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

9. AUDITORS' REPORT
The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

10. Particulars of Employees
None of the employees of your Company are in receipt of remuneration requiring disclosure pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975; hence no such particulars are annexed.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO
Your Company is committed for adoption of various energy saving methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations. Your Company also endeavors to carry out In-House R & D activities.
Considering the Company's nature of business, there were no exports during the year under review and your Directors do not foresee export potential in near future.
During the year under review, there were no foreign earnings and outgo.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

a. in preparation of annual accounts for the year ended March 31, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2012-13 and the loss made by the Company for that period;

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the annual accounts of the Company have been prepared on a going concern basis.

13. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by all the concerned bodies and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

P. Ramanathan	**Hariraj Chouhan**
Director	Director

Place: Mumbai
Date: 28.05.2013

ADDENDUM TO THE DIRECTORS' REPORT

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 28th May 2013 shall now be read as under:

8. AUDITORS

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 28th May 2013.

For and on behalf of the Board of Directors

P. Ramanathan	**Hariraj Chouhan**
Director	Director

Place: Mumbai
Date: 27.08.2013

INDEPENDENT AUDITOR'S REPORT

To,
THE MEMBERS OF **CREDIT MARKET SERVICES LIMITED.**

Report on the Financial Statement

We have audited the accompanying financial statements of CREDIT MARKET SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

KETAN M. SHAH
Partner
Membership No.: 049703

Place: Mumbai
Date: 28.05.2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **CREDIT MARKET SERVICES LIMITED** on the accounts of the company for the year ended 31st March, 2013.

(I) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The company has not disposed off any substantial part of fixed assets during the year and accordingly going concern is not affected.

(ii) The Company is a service company; accordingly it does not hold any physical inventories. Hence, Paragraph 4 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted/taken any loan, secured or unsecured to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transaction carried out during the year, pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956 .Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company.

(vi) The company has not accepted any deposits from the public during the year and hence, the provisions of Paragraph 4 (vi) of the Order is not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209 (1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service-tax and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service-tax, and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, and cess were outstanding, as at March 31, 2013.

(x) The Company is registered for a period less than five years; hence Paragraph 4(x) of the Order is not applicable to the Company.

(xi) In our opinion and according the information and explanations given to us, the Company has not borrowed any amounts from banks or financial institutions or by issue of debentures and hence, the provision of Paragraph 4 (xii) of the Order is not applicable to the Company.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund/societies.

(xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments, hence Paragraph 4(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short-term basis used for long term investments.

(xviii) The company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act during the year; hence Paragraph 4 (xviii) of the Order is not applicable to the Company.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For **MUKESH P. SHAH & CO.**
Chartered Accountants
Firm Registration No: 121719W

KETAN M. SHAH
Partner
Membership No.: 049703

Place: Mumbai
Date: 28.05.2013

BALANCE SHEET

as at 31st March 2013

(in ₹)

Particulars			Note No.	31st March 2013	31st March 2012
Equities and liabilities					
	1	**Shareholders' funds**			
		(a) Share capital	2	52,500,000	52,500,000
		(b) Reserve and surplus	3	(52,651,654)	(52,417,082)
				(151,654)	**82,918**
	2	**Current liabilities**			
		(a) Short-term borrowings	4	1,900,000	1,900,000
		(b) Trade payables	5	30,354	23,200
		(c) Other current liabilities	6	8,097	6,940
				1,938,451	**1,930,140**
				1,786,797	**2,013,058**
Assets					
	3	**Non-current assets**			
		(a) Tangible Fixed assets	7	6,084	9,704
		(b) Long-term loans and advances	8	1,432,052	1,435,238
				1,438,136	**1,444,942**
	4	**Current assets**			
		(a) Cash and bank balances	9		
		(b) Short-term loans and advances	10	231,799	485,000
		(C) Other current assets	11	71,410	83,116
				45,452	-
				348,661	**568,116**
				1,786,797	**2,013,058**
Summary of significant accounting policies			1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Ketan M. Shah
Partner
Membership No.: 049703

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28.05.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(in ₹)

Particulars	Note No.	31st March 2013	31st March 2012
(I) Revenue			
Other income	12	-	498
Total revenue (I)		**-**	**498**
(II) Expenses			
Employee benefit expenses	13	1,464	45,554
Other expenses	14	59,035	923,789
Total expenses (II)		**60,499**	**969,343**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		(60,499)	(968,845)
Depreciation and amortization	15	3,620	3,620
Finance costs	16	170,453	190,000
(IV) Loss before tax		**(234,572)**	**(1,162,465)**
Tax expense			
- Current tax		-	-
(V) Total tax expensed from continuing operation		-	-
(VI) Loss for the year		**(234,572)**	**(1,162,465)**
(VII) Earnings per share	18		
Basic		(0.04)	(0.22)
Diluted		(0.04)	(0.22)
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date
For Mukesh P. Shah & Co.
Chartered Accountants

Ketan M. Shah
Partner
Membership No.: 049703

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28.05.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

	Year Ended **31.03.2013**		Year Ended **31.03.2012**	
A. Cash flow from operating activities				
Net loss before tax		(234,572)		(1,162,465)
Adjustments for:				
Depreciation/amortisation	3,620		3,620	
Interest expense	170,453		190,000	
		174,073		193,620
Operating profit/(loss) before working capital changes		(60,499)		(968,844)
Changes in working capital:				
Adjustments for (increase)/decrease in operating assets:				
Short-term loans and advances	11,706		828,605	
Long-term loans and advances	3,186		73,581	
Other current assets	(45,452)		-	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	7,154		(35,591)	
Other current liabilities	1,157		(2,285)	
		(22,249)		864,310
Cash from/(used in) operations		(82,748)		(104,535)
Less: Tax refund/(paid)		-		1
Net cash from/(used in) operating activities		(82,748)		(104,535)
B. Cash flow from investing activities		-		-
Net Cash from/(used in) investing activities		-		-
C. Cash flow from financing activities				
Interest expense		(170,453)		(190,000)
Net Cash flows used in financing activities		(170,453)		(190,000)
Net cash flow during the year		(253,201)		(294,535)
Net decrease in cash and cash equivalents		(253,201)		(294,535)
Cash and cash equivalents (opening balance)		485,000		779,535
Cash and cash equivalents (closing balance)		231,799		485,000

CASH FLOW STATEMENT

for the year ended 31st March, 2013 (Contd.)

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts.
   Reconciliation of cash and bank balance (Refer note 9) with cash and cash equivalents is as follows:

(in ₹)

	31st March 2013	31st March 2012
Bank balances		
- In current account	231,799	485,000
Cash and bank balances	**231,799**	**485,000**

2. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard issued (AS 3) " Cash Flow Statement "by The Institute of Chartered Accountants of India.
3. Previous years figures have been regrouped, rearranges, reclassified wherever necessary to correspond with the figures of the current year as required under revised schedule VI.

As per our attached report of even date

For Mukesh P. Shah & Co.
Chartered Accountants

Ketan M. Shah
Partner
Membership No.: 049703

Place : Mumbai
Date : 28.05.2013

For and on behalf of the Board.

Shreekant Javalgekar
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28.05.2013

NOTES

to financial statements for the year ended 31st March, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or noncurrent as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Depreciation on tangible assets has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation in respect of assets costing less than ₹5,000 each is fully depreciated in the year of capitalisation

Depreciation on assets sold, discarded or demolished, if any during the period is being provided at their rate up to date in which such assets are sold discarded or demolished.

1.5 Revenue recognition

Revenue is recognized when no significant uncertainty as to determination or realization exists.

1.6 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.7 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.8 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.9 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at lower of historical cost or recoverable amount.

1.10 Provisions and contingencies

The Company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

2. SHARE CAPITAL	31st March 2013		31st March 2012	
	Nos.	₹	Nos.	₹
Authorised:				
25,000,000 Equity shares of ₹10/- each	25,000,000	250,000,000	25,000,000	250,000,000
	25,000,000	**250,000,000**	**25,000,000**	**250,000,000**
Issued, subscribed & paid up:				
5,250,000 Equity shares of ₹10/- each fully paid up	5,250,000	52,500,000	5,250,000	52,500,000
	5,250,000	**52,500,000**	**5,250,000**	**52,500,000**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

(in ₹)

	31st March 2013		31st March 2012	
	Nos.	₹	Nos.	₹
At the beginning of the year	5,250,000	52,500,000	5,250,000	52,500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**5,250,000**	**52,500,000**	**5,250,000**	**52,500,000**

The company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.

b) Shares held by holding company

(in ₹)

	31st March 2013		31st March 2012	
	Nos.	₹	Nos	₹
Financial Technologies (India) Ltd.	5,249,900	52,499,000	5,249,900	52,499,000
	5,249,900	**52,499,000**	**5,249,900**	**52,499,000**

c) Details of the shareholders holding more than 5% of the shares in the company

(in ₹)

	31st March 2013		31st March 2012	
	Nos.	% holding	Nos	% holding
Financial Technologies (India) Ltd.	**5,249,900**	**99.998%**	5,249,900	99.998%

(in ₹)

3. RESERVES AND SURPLUS	31st March 2013	31st March 2012
Surplus /(Deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	(52,417,082)	(51,254,617)
Add: Loss for the year	(234,572)	(1,162,465)
Net deficit in the statement of profit and loss	**(52,651,654)**	**(52,417,082)**
4. SHORT TERM BORROWINGS		
Unsecured Loan - (from Holding company)	1,900,000	1,900,000
(refer note no. 17)		
	1,900,000	**1,900,000**
5. TRADE PAYABLES		
Trade payables	30,354	
(refer note 21 for details of dues to micro and small enterprises)		23,200
	30,354	**23,200**
6. OTHER LIABILITIES		
Statutory payable		
TDS payables	8,087	6,930
Statutory-other (PF/VAT/PT etc.)	10	10
	8,097	**6,940**

NOTES

forming part of the financial statements for the Year ended 31st March, 2013

7. FIXED ASSETS

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.2012	Additions for the year	Deletion/ Adjustments	Cost as at 31.03.2013	Upto 31.03.2012	For the Year	Deletions/ Adjustments	Upto 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible assets										
Computer hardware	22,332	-	-	22,332	12,628	3,620	-	16,248	6,084	9,704
Total	**22,332**	**-**	**-**	**22,332**	**12,628**	**3,620**	**-**	**16,248**	**6,084**	**9,704**
Previous year	**22,332**	**-**	**-**	**22,332**	**9,008**	**3,620**	**-**	**12,628**	**9,704**	**13,324**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

8. LONG TERM LOANS AND ADVANCES	31st March 2013	31st March 2012
Other loan and advances		
Unsecured , considered good		
Prepaid expenses	780	2,038
Balances with statutory / government authorities - deposits	1,431,272	1,433,200
	1,432,052	**1,435,238**
9. CASH AND BANK BALANCES		
Cash and cash equivalents		
Bank balances:		
With scheduled banks:	231,799	485,000
- in current account		
	231,799	**485,000**
10. SHORT TERM LOANS AND ADVANCES		
Other Loan and advances		
Prepaid expenses	2,818	14,523
Tax deducted at source (net of provision)	68,592	68,593
	71,410	**83,116**
11. OTHER CURRENT ASSETS		
Other Receivable	45,452	-
	45,452	**-**
12. OTHER INCOME		
Miscellaneous balances written back	-	498
	-	**498**
13. EMPLOYEE BENEFIT EXPENSES		
Payment to and provisions for employees:		
Salaries and bonus (net of recovery)	24	44
Contribution to provident fund and other funds	192	220
Staff welfare expenses	1,248	45,290
	1,464	**45,554**
14. OTHER EXPENSES		
Payment to auditor (refer details below)	23,510	32,000
Professional tax	2,039	2,045
Legal and professional charges	27,823	4,967
ROC fees	5,100	1,530
Software license fees expenses	-	872,792
Insurance expenses	-	4,452
Office expenses	-	4,800
Miscellaneous expenses *	563	1,203
*(includes bank charges and other expenses)		
	59,035	**923,789**
Details of payment to auditor		
As auditor:		
Audit fee	10,000	10,000
In other capacity		
Taxation matters	13,000	22,000
other services	510	-
	23,510	**32,000**
15. DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	3,620	3,620
	3,620	**3,620**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

16. FINANCE COST	31st March 2013	31st March 2012
Interest expenses on		
- borrowings (to holding company on unsecured loan)	170,453	190,000
(refer note 17)		
	170,453	**190,000**

17. RELATED PARTY DISCLOSERS

A) Names of related parties and related party relationship

i) Company whose control exists (Holding company)	:	Financial Technologies (India) Limited (since incorporation)
ii) Fellow subsidiaries (with whom transactions are carried out)	:	There are no transactions carried out during the year ended 31st March, 2013 and during the year ended 31st March, 2012, hence the details are not provided.
iii) Key management personnel (KMP)	:	Hariraj Chouhan (Director)
		There are no transactions carried out during the year ended 31st March, 2013 and during the year ended 31st March, 2012, hence the details are not provided.

B) Related parties transactions:

(in ₹)

	HOLDING COMPANY	
NATURE OF TRANSACTIONS	**31st March 2013**	**31st March 2012**
Sale/purchase of goods, services and assets		
Software license fees	-	872,793
Interest paid	170,453	190,000
Other reimbursement of expenses		
- Charged by them	19,136	73,609
Loan taken and repayment thereof		
Opening balances as at beginning of the year	1,900,000	1,900,000
Taken during the period	-	-
Repaid during the year	-	-
Balance as at end of the year	1,900,000	1,900,000

Related party relationships are as identified by the company and relied upon by the auditor

(in ₹)

18. Earnings per share	31st March 2013	31st March 2012
Earnings per share (EPS):		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net loss after tax for calculation of basic EPS	(234,572)	(1,162,465)
Weighted average number of equity shares basic and diluted (nos.)	5,250,000	5,250,000
Basic and diluted earnings per share	(0.04)	(0.22)
Nominal value of equity share	10	10

19. SEGMENT INFORMATION

The Company's main object is to engage in the business of providing consultancy services in credit market space, content knowledge and risk management .The Company has considered business segment as Primary segment. Thus there is only one identified reportable segment.

20. CONTINGENT LIABILITIES AND CAPITAL AND OTHER COMMITMENTS		
a) Estimated amount of contract to be executed in Capital Account and not provided for (Net of Advances)	-	-
b) Contingent liabilities is not provided for	-	-
	-	**-**

NOTES

to financial statements for the year ended 31st March, 2013

The company has filed a case against the ex-employee in terms of the MOU entered between FTIL and ex-employee on December 2007 and the same is pending before the court appointed arbitrator for next hearing/award into the matter. The company and the ex-employee have put forwards their respective claim and counter claims before the arbitrator. As per the management's opinion,no liability is envisaged by the company to the ex-employee and hence no provision for contingent amount, if any, has been made in the books of account.

(in ₹)

		31st March 2013	31st March 2012
21.	**Details of due to micro and small enterprises as defined under the MSMED Act, 2006**		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
		-	-
	Disclosures as required under Revised Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.		

22. GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

There were no qualified employees at the end of the year, hence no funding were made during the year and also no actuarial valuation is carried out as per Accounting Standard - 15 " Accounting for retirement benefits in the financial statements of employees".

23. The Company has accumulated losses as at 31st March 2013. The Company has plans to achieve higher growth which would improve the revenue, resulting into consequential increase in profitability and net worth. Accordingly, the accounts have been prepared on going concern basis which is dependent upon future growth of business and profitability.

24. Figures for the previous year have been regrouped / reclassified, wherever necessary.

For and on behalf of the Board.

Shreekant Javalgekar	**Hariraj Chouhan**
Director	Director

Place : Mumbai
Date : 28.05.2013

DIRECTORS' REPORT

To,

The Members,

Your Directors present the Third Annual Report of your Company along with the Audited Statement of the accounts for the Financial Year ended March 31, 2013.

1. **FINANCIAL RESULTS AND OPERATIONS:**

(In ₹)

Particulars	2012-13	2011-12
Total Income	-	-
Total Expenditure	2,85,608	18,117
(Loss) before Tax	(2,85,608)	(18,117)
Loss after Tax	(2,85,608)	(18,117)
Balance carried to Balance Sheet	(4,57,205)	(1,71,597)

Your Company has been setup mainly to carry on the business inter alia in infrastructure related activities.

The loss after tax stood at Rs. 2,85,608 for the year under review.

2. **DIVIDEND:**

Since the Company has incurred loss during the year under review, your Directors do not recommend any dividend.

3. **TRANSFER TO RESERVES**

No amount has been transferred to the Statutory Reserves during the year under review.

4. **SHARE CAPITAL:**

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. **LOAN**

As on 31st March 2013, your Company has an unsecured loan of Rs. 25,00,00,000/-.

6. **FIXED DEPOSITS:**

The Company has not accepted any fixed deposits, falling within the purview of Section 58A & 58AA of the Companies Act, 1956 and the rules made thereunder, from the public, during the financial year under review.

7. **DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Paras Ajmera, Director of the Company, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends the re-appointment of Mr. Paras Ajmera in the ensuing Annual General Meeting.

Other Directors of your Company continue to be on Board.

8. **AUDITORS:**

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai (Regn. No. 121719W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Mukesh P. Shah & Co., to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Board recommends the appointment of M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

9. **AUDITORS REPORT:**

The Auditors report of your Company for the year ended 31st March, 2013 does not contain any qualifications.

10. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:**

Your Company is committed for adoption of various energy savings methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations. The Company also endeavors to carry out In-House R & D activities.

During the year under review there was no Foreign Exchange earnings and outgo. Company has not exported any product during the year under review and does not foresee any future export activity, in case the opportunity arises the Board shall take the necessary steps in this regard.

DIRECTORS' REPORT

11. PARTICULARS OF EMPLOYEES:

Your Company does not have any employees in the category specifies under Section 217 (2A) of the Companies Act, 1956 and as such the particulars of employees as contemplated under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not attached to this report.

12. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2012-13 and of the loss of the Company for that period;

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

13. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 27.05.2013

Dewang Neralla Director

Shreekant Javalgekar Director

Addendum to the Directors' Report

Dear Shareholders,

Your Directors would like to inform you that the Company has received a letter dated 17th August 2013 from the Statutory Auditors M/S Mukesh P. Shah, Chartered Accountants, Mumbai (Regn. No. 121719W), conveying their unwillingness to continue as the Statutory Auditors of the Company. Considering this development, the Company has vide its letter dated 19th August 2013 approached M/s Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W); to act as the Statutory Auditors of the Company. M/s Chaturvedi Sohan & Co., have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 20th August 2013.

In view of the above, para regarding Auditors in Directors' Report dated 27th May 2013 shall now be read as under:

8. Auditors:

The Statutory Auditors of your Company, M/s. Mukesh P. Shah & Co., Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and had given their willingness to be re-appointment as the Statutory Auditors of the Company for the Financial Year 2013-14. M/s. Mukesh P. Shah & Co. have vide letter dated 17th August 2013 conveyed their unwillingness to continue as Statutory Auditors of the Company due to their pre-occupation with other engagements.

The Company has received a letter dated 20th August 2013 from M/s. Chaturvedi Sohan & Co., Chartered Accountants, conveying their willingness to act as the Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting. It also states that their appointment, if made, would be within the limits prescribed under Section 224 (IB) of the Companies Act, 1956.

Your Directors recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

This addendum should be read in conjunction with the Directors' Report dated 27th May 2013.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 27.08.2013

Dewang Neralla Director

Shreekant Javalgekar Director

INDEPENDENT AUDITOR'S REPORT

To,

THE MEMBERS OF

FT PROJECTS LIMITED.

Report on the Financial Statement

We have audited the accompanying financial statements of FT PROJECTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

   e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For MUKESH P. SHAH & CO.
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place: Mumbai
Date: 27.5.2013

INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of **FT PROJECTS LIMITED** on the accounts of the company for the year ended 31st March, 2013.

(i) The Company does not have any fixed assets during the period, hence Paragraph 4 (i) (a), (b) and (c) of the Order are not applicable to the Company.

(ii) The Company does not hold any inventory of raw materials during the period; hence Paragraph 4 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted/taken any loan, secured or unsecured to/ from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the period hence, Paragraph 4 (iii) (a) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has adequate internal control procedures commensurate with the size of the Company and nature of its business for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.

(v) According to the information and explanations given to us, there were no transaction carried out during the period , pursuant to the contracts or arrangements referred in section 301 of the Companies Act, 1956 .Accordingly Paragraph 4 (v) (a) & (b) of the Order is not applicable to the Company.

(vi) The company has not accepted any deposits from the public during the period and therefore, the provisions of Paragraph 4 (vi) of the Order are not applicable to the Company.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s. 209(1) (d) of the Companies Act, 1956.

(ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Sales Tax, Service-tax and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect Income Tax, Sales Tax, Service-tax, and any other statutory dues were outstanding, as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, no disputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, and Cess were outstanding, as at March 31, 2013.

(x) The Company is registered for a period less than five years; hence Paragraph 4 (x) of the Order is not applicable to the Company.

(xi) The Company did not have any outstanding dues to any financial institutions, banks or debenture holders during the period.

(xii) The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us the Company is not a chit fund, or a nidhi/mutual benefit fund / societies.

(xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments , hence Paragraph 4 (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company had not taken term loan during the period.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds are raised on short-term basis used for long term investments.

(xviii) The company has not made preferential allotment of shares to company covered in the Register maintained under section 301 of the Act during the period; hence Paragraph 4 (xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us, during the period covered by our audit report, the company has issued 25 unsecured debentures of Rs. 1,00,00,000 each. Accordingly, the company has unsecured debentures outstanding during the year on which no security or charge is required to be created.

(xx) The Company has not raised any money through a public issue during the period.

(xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of the period.

For MUKESH P. SHAH & CO.
Chartered Accountants
Firm Registration No: 121719W

MUKESH P. SHAH
Partner
Membership No.: 033862

Place: Mumbai
Date: 27.5.2013

BALANCE SHEET

as at 31st March, 2013

(in ₹)

Particulars			Note No.	31st March 2013	31st March 2012
Equities and liabilities					
1	**Shareholders' funds**				
	(a)	Share capital	2	500,000	500,000
	(b)	Reserve and surplus	3	(457,205)	(171,597)
				42,795	**328,403**
2	**Non current liabilities**				
		Long-term borrowings	4	250,000,000	-
				250,000,000	**-**
3	**Current liabilities**				
	(a)	Trade payables	5	15,168	14,890
	(b)	Other current liabilities	6	28,315	1,655
				43,483	**16,545**
				250,086,278	**344,948**
Assets					
1	Non current Assets				
		Long term loans and advances	7	250,000,000	-
				250,000,000	**-**
2	Current assets				
		Cash and bank balances	8	86,278	344,948
				86,278	**344,948**
				250,086,278	**344,948**
Summary of significant accounting policies			1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 27.5.2013

For and on behalf of the Board.

Dewang Neralla
Director

Shreekant Javalgekar
Director

Place : Mumbai
Date : 27.5.2013

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2013

(in ₹)

Particulars		Note No.	31st March, 2013	31st March, 2012
Continuing operation				
(I)	**Revenue**		**-**	**-**
	Total revenue (I)		**-**	**-**
(II)	**Expenses**			
	Other expenses	9	285,608	18,117
	Total expenses (II)		**285,608**	**18,117**
(III)	**Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)**		(285,608)	(18,117)
(IV)	**Loss before tax**		**(285,608)**	**(18,117)**
	Tax expense		-	-
(V)	Total tax expensed from continuing operation		-	-
(VI)	**Loss for the year**		**(285,608)**	**(18,117)**
(VII)	**Earnings per share**	11	-	-
	Basic		(5.71)	(0.36)
	Diluted		(5.71)	(0.36)
	Face value per share		10/-	10/-
Summary of significant accounting policies		1		

The accompanying notes are integral part of the financial statements

As per our attached report of even date

For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 27.5.2013

For and on behalf of the Board.

Dewang Neralla
Director

Shreekant Javalgekar
Director

Place : Mumbai
Date : 27.5.2013

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(in ₹)

	Particulars	31st March 2013		31st March 2012	
A.	**Cash flow from operating activities**				
	Net loss before tax		(285,608)		(18,117)
	Adjustments		-		-
	Operating loss before working capital changes		**(285,608)**		**(18,117)**
	Changes in working capital:				
	Adjustments for (increase)/decrease in operating assets:		-		-
	Adjustments for (decrease)/increase in operating liabilities:				
	Long-term loans and advances	(250,000,000)		-	
	other current liabilities	26,660			
	Trade payables	278		(129,830)	
			(249,973,062)		(129,830)
	Cash used in operations		(250,258,670)		(147,947)
	Less : Taxes paid		-		-
	Net cash flow used in operating activities		**(250,258,670)**		**(147,947)**
B.	**Net cash flows from investing activities**		**-**		**-**
C.	**Cash flow from financing activities**				
	Issue of Issue of 0% Optionally Convertible Debentures (OCD)		250,000,000		
	Net cash flows from financing activities		**250,000,000**		**-**
	Net cash flow during the year		**(258,670)**		**(147,947)**
	Net (decrease)/increase in cash and cash equivalents		**(258,670)**		**(147,947)**
	Cash and cash equivalents (opening balance)		**344,948**		**492,895**
	Cash and cash equivalents (closing balance)		**86,278**		**344,948**

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts.

Reconciliation of cash and bank balance (Refer note 8) with cash and cash equivalents is as follows:

(in ₹)

	31st March 2013	31st March 2012
Bank balances :		
- in Current account		
Cash and bank balance	**86,278**	**344,948**

2. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
3. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI

As per our attached report of even date
For **Mukesh P. Shah & Co.**
Chartered Accountants

Mukesh P. Shah
Partner
Membership No. : 033862

Place : Mumbai
Date : 27.5.2013

For and on behalf of the Board.

Dewang Neralla
Director

Shreekant Javalgekar
Director

Place : Mumbai
Date : 27.5.2013

NOTES

to financial statements for the year ended 31st March, 2013

1 Summary of Significant accounting policies

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities are classified as current or noncurrent as per the company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.5 Provisions and contingencies

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

2. Share capital	31st March 2013 Nos.	31st March 2013 ₹	31st March 2012 Nos.	31st March 2012 ₹
Authorised:				
Equity shares of ₹10/- each	450,000	4,500,000	450,000	4,500,000
Preference shares of ₹10/- each	50,000	500,000	50,000	500,000
	500,000	**5,000,000**	**500,000**	**5,000,000**
Issued, subscribed & paid up:				
Equity shares of ₹10/- each fully paid-up	50,000	500,000	50,000	500,000
	50,000	**500,000**	**50,000**	**500,000**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

	31st March 2013 Nos.	31st March 2013 ₹	31st March 2012 Nos.	31st March 2012 ₹
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**50,000**	**500,000**	**50,000**	**500,000**

The company has only one class of equity shares having par value of Rs 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.

NOTES

to financial statements for the year ended 31st March, 2013

b) Shares held by holding company

	31st March 2013		31st March 2012	
	Nos.	₹	Nos.	₹
Financial Technologies (India) Ltd.	50,000	500,000	50,000	500,000

c) Details of the shareholders holding more than 5% of the shares in the company

	31st March 2013		31st March 2012	
	Nos.	% holding	Nos.	% holding
Financial Technologies (India) Ltd.	50,000	100	50,000	100

(in ₹)

		31st March 2013	31st March 2012
3.	**Reserves and surplus**		
	Surplus / (deficit) in the statement of profit and loss		
	Balance as per last financial statements	(171,597)	(153,480)
	Add : Loss for the year	(285,608)	(18,117)
	Net deficit in the statement of profit and loss	**(457,205)**	**(171,597)**
4.	**Short-term borrowings**		
	25 (Previous year NIL) 0% Optionally Convertible Debentures (OCD)	250,000,000	-
	Terms of issue and redemption are as under:		
	25 (Twenty five) unsecured 0% optionally convertible debentures (OCD) of face value of Rs. 10,000,000 convertible into equity shares at the option of the investor with in a period not exceeding 48 months. The Conversion shall be at a premium of 10% on the face value,if opted by the investor.		
		250,000,000	**-**
5.	**Trade payables**		
	Trade Payables	15,168	14,890
	(refer note 13 for details of dues to micro and small enterprises)		
		15,168	**14,890**
6.	**Other current liabilities**		
		Current	**Current**
	Statutory Payables		
	TDS Payables	28,315	1,655
		28,315	**1,655**
7.	**Long term loans and advances**		
	Advances recoverable in cash or kind		
	Unsecured, considered good	250,000,000	-
		250,000,000	-
		250,000,000	**-**
8.	**Cash and bank balances**		
	Cash and cash equivalents		
	Bank balances:		
	With scheduled banks:		
	- in current account	86,278	344,948
		86,278	**344,948**

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

9.	Other expenses	31st March 2013	31st March 2012
	Professional fees	266,396	-
	ROC fees expenses	1,530	1,020
	Payment to auditor (refer details below)	17,570	16,545
	Bank Charges	112	552
		285,608	**18,117**
	Details of payment to auditor		
	As auditor :		
	Audit fee	11,442	11,030
	In other capacity		
	Taxation matters	5,618	5,515
	Other services	510	
		17,570	**16,545**

10. Related party disclosers

(A) Names of related parties and related party relationship :

(i) Company whose control exists (holding company) : Financial Technologies (India) Limited (since incorporation)

(ii) Key management personnel (KMP) : Dewang Neralla (Director)

(B) Related parties transactions :

(in ₹)

Nature of transactions	Holding companies	
	31st March 2013	31st March 2012
Interest paid	-	-
Loan taken and repayment thereof		
Opening Balances	-	-
Taken during the period	250,000,000	-
Converted into Debentures	250,000,000	-
Balance as at March 31, 2013	-	-
Alloted 0% Optionally Convertible Debentures (OCD)	250,000,000	-
Closing balance		
-Debit	-	-
-Credit	-	-

Related party relationships are as identified by the Company and relied upon by the auditor

(in ₹)

11.	Earnings per share (EPS)	31st March 2013	31st March 2012
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Total operations for the year		
	Net profit / (loss) after tax for calculation of basic EPS	(285,608)	(18,117)
	Weighted average number of equity shares basic and diluted (Nos.)	50,000	50,000
	Basic and diluted earnings per share	(5.71)	(0.36)
	Nominal value of equity share	10/-	10/-

12. Segment information

The company's main objective is to engage in the business of infrastructure and other real estate projects. The company has considered business segment as primary segment. Thus there is only one identified reportable segment.

NOTES

to financial statements for the year ended 31st March, 2013

(in ₹)

13. Details of due to micro and small enterprises as defined under the MSMED Act, 2006	31st March 2013	31st March 2012
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	**-**
Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/ payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/ suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006		

14. During the year company has paid Rs 25,00,00,000 under "Option agreement" to buy certain piece of property. According to the agreement, company has right to buy property within 48 months from effective date of agreement.

15. Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For and on behalf of the Board.

Dewang Neralla
Director

Shreekant Javalgekar
Director

INDEPENDENT AUDITOR'S REPORT

To,

THE MEMBER OF **KNOWLEDGE ASSETS PRIVATE LIMITED**

Report on the Financial Statements

We have audited the financial statements of Knowledge Assets Private Limited, the "Company", which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 367 to 372 give a true and fair view of the financial position of the Company as at 31 March 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other matters

This report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

Y NUBEE, FCCA
Licensed by FRC

Place: Ebene, Republic of Mauritius
Date: 27 May 2013

STATEMENT OF FINANCIAL POSITION

as at 31st March, 2013

(in USD)

	Notes	2013	2012
Assets			
Current			
Prepayments		438	2,006
Cash and cash equivalents		4,512	437
Current assets		4,950	2,443
Total assets		**4,950**	2,443
Equity and liabilities			
Equity			
Stated capital	7	10,002	10,002
Accumulated losses		(49,600)	(41,859)
Total equity		**(39,598)**	(31,857)
Current			
Payables	8	44,548	34,300
Total equity and liabilities		**4,950**	2,443

Approved by the Board of Directors on 27th May 2013 and signed on its behalf:

Sushil Kumar Jogoo
Director

Dhanun Ujoodha
Director

Place: Ebene, Republic of Mauritius
Date: 27 May 2013

STATEMENT OF COMPREHENSIVE INCOME

for the year ended as at 31st March, 2013

(in USD)

	Notes	2013	2012
INCOME		-	-
EXPENDITURE			
Professional fees		4,266	6,189
Audit fees		2,300	2,300
Licence fees		1,125	250
Bank charges		50	50
		7,741	8,789
Loss before tax		(7,741)	(8,789)
Tax expense	9	-	-
Loss for the year		**(7,741)**	(8,789)
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**(7,741)**	(8,789)

The Note nos. 1 to 11 form an integral part of these Financial Statements

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2013

(in USD)

	Stated capital	Accumulated losses	Total
At 01 April 2012	10,002	(41,859)	(31,857)
Transactions with the shareholder	-	-	-
Loss for the year	-	**(7,741)**	**(7,741)**
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	**(7,741)**	**(7,741)**
At 31 March 2013	**10,002**	**(49,600)**	**(39,598)**
At 01 April 2011	**10,002**	**(33,070)**	**(23,068)**
Transactions with the shareholder	-	-	-
Loss for the year	-	(8,789)	(8,789)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(8,789)	(8,789)
At 31 March 2012	**10,002**	**(41,859)**	**(31,857)**

STATEMENT OF CASH FLOWS

for the year ended as at 31st March, 2013

(in USD)

	2013	2012
Operating activities		
Loss before tax	(7,741)	(8,789)
Adjustment for:		
Changes in prepayments	1,568	(2,006)
Changes in payables	10,248	5,500
Net cash generated from/(used in) operating activities	**11,816**	(5,295)
Net change in cash and cash equivalents	**4,075**	(5,295)
Cash and cash equivalents, beginning of year	437	5,732
Cash and cash equivalents, end of year	**4,512**	437
Cash and cash equivalents made up of:		
Bank balance	**4,512**	437

The Note nos. 1 to 11 form an integral part of these Financial Statements

NOTES

For the year ended 31 March 2013

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS

Knowledge Assets Private Limited, the “Company”, was incorporated in the Republic of Mauritius on 28 March 2007 under the Mauritius Companies Act 2001 as a private company with liability limited by shares. The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company's registered office is St Louis Business Centre, Cnr Desroches & St Louis Streets, Port Louis, Republic of Mauritius.

The principal activity of the Company is to establish/acquire/hold investments globally in an automated electronic market place and/or a software company and/or a knowledge-based company. The Company has not yet made any investment as at 31 March 2013.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of the assumption depends on the continued financial support of the holding company. The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

3. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE COMPANY

At the date of authorisation of these financial statements, certain new Standards, Amendments and Interpretations to existing standards have been published by the IASB but not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company’s accounting policies for the first period beginning after the effective date of the pronouncement. Information on new Standards, Amendments and Interpretations that are expected to be relevant to the Company’s financial statements is provided below. Certain other new Standards and Interpretations have been issued but are not expected to have a material impact on the Company’s financial statements.

IFRS 13	Fair Value Measurement
IFRS 12	Disclosure of Interests in Other Entities
IFRS 11	Joint Arrangements
IFRS 10	Consolidated Financial Statements
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
IAS 27	Separate Financial Statements (Revised 2011)
IAS 28	Investments in Associates and Joint Ventures (Revised 2011)
IFRS 9	Financial Instruments
IAS 1	Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)
IFRS 1	Government Loans (Amendments to IFRS 1)
IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

The directors anticipate that the adoption of these Standards and Interpretations in future years will have no material impact on the Company’s financial performance and financial position.

4. SUMMARY OF ACCOUNTING POLICIES

4.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.2 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

NOTES

For the year ended 31 March 2013

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.3 Equity

Stated capital is determined using the nominal values of shares that have been issued.

Accumulated losses include all current and prior years results.

4.4 Foreign Currency

Functional and presentation currency

The financial statements are presented in currency USD, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined

4.5 Revenue recognition

The Company will hold investments and dividend income will be recognised when the right to receive payment is established.

Interest income is recognised on an accrual basis unless collectibility is in doubt.

4.6 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

4.7 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss.

4.8 Operating expenses

All expenses are accounted for on the accrual basis.

4.9 Related parties

Related parties are individuals and companies where the individual or the company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating policy decisions.

NOTES

For the year ended 31 March 2013

4.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.11 Comparatives

Where necessary, comparative figures have been adjusted to confirm to changes in presentation on the current year.

4.12 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Estimation uncertainty

Deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax assets can be utilised.

5. FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's risk is managed at the level of the holding company and focuses on securing the Company's short to medium term cash flows by minimising the exposure to financial risks. At 31 March 2013, the Company was not exposed to any financial risks as it was not operative.

6. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its member.

In order to properly manage the capital structure, the Company may adjust the amount of dividends paid to its shareholder or issue new shares.

The Company will monitor its capital on the basis of the gearing ratio. The Company was not geared at 31 March 2013.

Fair value estimation

The carrying values of cash at bank and payables approximate their fair values.

(in US$)

7. STATED CAPITAL	2013	2012
10,002 ordinary shares of USD 1 each	**10,002**	10,002

(in US$)

8. PAYABLES	2013	2012
Due to a related party	41,500	31,500
Accruals	3,048	2,800
	44,548	34,300

The amount due to the related party is interest free, unsecured and repayable within one year.

NOTES

For the year ended 31 March 2013

9. TAXATION

(i) Income tax

The Company, under the current laws and regulations, is liable to pay income tax on its net income at a rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of the Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%. No capital gains tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its member will be exempt in the Republic of Mauritius from any withholding tax.

At 31 March 2013, the Company had no income tax liability due to tax losses of USD 40,143 (2012: USD 32,402) carried forward.

(ii) Income tax reconciliation

The tax charge on the Company's loss before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

(in US$)

	2013	2012
Loss before tax	**(7,741)**	(8,789)
Tax at 3%	(232)	(264)
Deferred tax asset not recognised	232	264
Tax expense	-	-

(iii) Deferred taxation

No deferred tax asset has been recognised in respect of the tax losses carried forward as no taxable income is probable in foreseeable future.

10. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2013, the Company had transactions with its related parties. The nature, volume of transactions and balances with the related parties are as follows:

(in USD)

Nature of relationship	Nature of transactions	Volume of transactions	Credit balance at 31 March 2013	Credit balance at 31 March 2012
Company under common Shareholding (Note 8)	Financing	10,000	41,500	31,500

Two directors of the Company, Messrs Dhanun Ujoodha and Sushil Kumar Jogoo, are also directors of Kross Border Corporate Services Limited, (the "Administrator"), and hence deemed to have beneficial interests in the Service Agreement between the Company and the Administrator.

11. HOLDING COMPANY

The directors regard Financial Technologies (India) Limited, a listed company incorporated in the Republic of India, as the Company's holding company.

DIRECTORS' REPORT

The directors are pleased to present their report to the member together with the audited consolidated financial statements of Financial Technologies Singapore Pte. Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 March 2013.

1. Directors

The directors of the Company in office at the date of this report are

Jignesh Shah

Vaidyalingam Hariharan

Iyengar Vijaykumar Gopalan

Philip Benoy (Resigned on 2 October 2012)

Venkataramaiyer Sivaramakrishnan

Mody Atish Jitendra (Appointed on 14 September 2012)

2. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of directors	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the ultimate holding company (Financial Technologies (India) Limited)				
Jignesh Shah	8,329,585	8,329,585	12,386,671	12,386,671
Vaidyalingam Hariharan	3,000	3,000	-	-

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. Directors' contractual benefits

Except as disclosed in the consolidated financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. Share options

During the financial year, there was:

- no option granted by the Company to any person to take up unissued shares in the Company; and
- no share issued by virtue of any exercise of option to take up unissued shares of the Company.

At the end of the financial year, there was no unissued share of the Company under option.

6. Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

For and on behalf of the Board of Directors

Vaidyalingam Hariharan
Director

Iyengar Vjaykumar Gopalan
Director

Place: Singapore
Date: 20.05.2013

STATEMENT BY DIRECTORS

STATEMENT BY DIRECTORS

We, Vaidyalingam Hariharan and Iyengar Vijaykumar Gopalan, being two of the directors of Financial Technologies Singapore Pte. Ltd., do hereby state that, in the opinion of the directors :

(i) the accompanying statements of comprehensive income, balance sheets, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2013 and the results of the business and changes in equity of the Group and of the Company and cash flows of the Group for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

For and on behalf of the Board of Directors

Place: Singapore
Date: 20.05.2013

Vaidyalingam Hariharan
Director

Iyengar Vjaykumar Gopalan
Director

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2013

Independent Auditor's Report to the Member of Financial Technologies Singapore Pte. Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Financial Technologies Singapore Pte. Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2013, the statement of comprehensive income and the statements of changes in equity of the Group and the Company and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2013 and of the results, changes in equity and cash flows of the Group and of the results and changes in equity of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Certified Public Accountants

Place: Singapore
Date: 20.05.2013

BALANCE SHEET
as at 31st March, 2013

	Note	Group 2013 US$	Group 2012 US$	Company 2013 US$	Company 2012 US$
ASSETS					
Non-current assets					
Plant and equipment	9	17,217,376	24,089,642	-	-
Investments in subsidiaries	10	-	-	100,038,619	84,668,418
Deferred tax assets	11	12,728,760	8,173,009	-	-
		29,946,136	32,262,651	**100,038,619**	84,668,418
Current assets					
Deposits and prepayments	12	498,627	410,452	4,491	5,537
Trade receivables		311,345	282,681	-	-
Other receivables		118,629	10,500	-	-
Cash and cash equivalents	13	4,346,315	3,166,564	440,791	24,349
		5,274,916	3,870,197	**445,282**	29,886
LIABILITIES					
Current liabilities					
Unearned income		-	35,000	-	-
Amounts due to an ultimate holding company	14	18,899,372	2,400,984	18,867,691	2,400,984
Trade payables		292,103	16,202	-	-
Other payables		263,701	457,436	-	-
Accruals and provisions		258,355	448,007	10,067	4,800
		19,713,531	3,357,629	**18,877,758**	2,405,784
Net current (liabilities)/ assets		(14,438,615)	512,568	(18,432,476)	(2,375,898)
Net assets		**15,507,521**	32,775,219	**81,606,143**	82,292,520
EQUITY					
Share capital	15	82,343,435	82,343,435	82,343,435	82,343,435
Translation reserve		(2,338,619)	(2,338,619)	-	-
Accumulated losses		(64,497,295)	(47,229,597)	(737,292)	(50,915)
Total equity		**15,507,521**	32,775,219	**81,606,143**	82,292,520

The accompanying accounting policies and explanatory information form an integral part of the consolidated financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31st March, 2013

	Note	Group		Company	
		2013 US$	2012 US$	2013 US$	2012 US$
Revenue					
Revenue	3	1,034,699	3,050,957	-	-
Interest income	4	77,830	11,909	-	-
Other gains	5	2,263,959	51,599	-	19
		3,376,488	3,114,465	**-**	19
Expenses					
Staff costs	6	(6,050,011)	(7,282,340)	-	-
Operating leases		(919,339)	(800,828)	-	-
Advertising and distribution expenses		(3,904,868)	(5,270,429)	(700)	(660)
Legal and professional fees		(411,030)	(453,565)	(7,578)	(13,988)
Information technology operating costs		(5,652,931)	(4,344,804)	-	-
Depreciation	9	(6,907,760)	(6,715,656)	-	-
Other operating expenses	7	(1,353,998)	(1,895,706)	(678,099)	(21,414)
		(25,199,937)	(26,763,328)	**(686,377)**	(36,062)
Loss before tax		(21,823,449)	(23,648,863)	(686,377)	(36,043)
Income tax credit	8	4,555,751	3,001,614	-	-
Net loss after tax attributable to the owner of the Company		(17,267,698)	(20,647,249)	(686,377)	(36,043)
Other comprehensive income		-	-	-	-
Total comprehensive loss attributable to the owner of the Company		**(17,267,698)**	(20,647,249)	**(686,377)**	(36,043)

The accompanying accounting policies and explanatory information form an integral part of the consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31st March, 2013

(In US$)

Group	Share capital (Note 15)	Translation reserve	Accumulated losses	Total equity
At 1 April 2011	62,571,567	(2,338,619)	(26,582,348)	33,650,600
Issuance of ordinary shares	19,771,868	-	-	19,771,868
Total comprehensive income for the year	-	-	(20,647,249)	(20,647,249)
At 31 March 2012 and at 1 April 2012	82,343,435	(2,338,619)	(47,229,597)	32,775,219
Total comprehensive income for the year	-	-	(17,267,698)	(17,267,698)
At 31 March 2013	**82,343,435**	**(2,338,619)**	**(64,497,295)**	**15,507,521**
Company				
At 1 April 2011	62,571,567	-	(14,872)	62,556,695
Issuance of ordinary shares	19,771,868	-	-	19,771,868
Total comprehensive income for the year	-	-	(36,043)	(36,043)
At 31 March 2012 and at 1 April 2012	82,343,435		(50,915)	82,292,520
Total comprehensive income for the year	-	-	(686,377)	(686,377)
At 31 March 2013	**82,343,435**	**-**	**(737,292)**	**81,606,143**

The accompanying accounting policies and explanatory information form an integral part of the consolidated financial statements.

CASH FLOW STATEMENT

for the financial year ended 31st March, 2013

	Note	2013 US$	2012 US$
Cash flows from operating activities			
Loss before tax		(21,823,449)	(23,648,863)
Adjustments for:			
Write-off of plant and equipment		21,238	-
Interest income		(77,830)	(11,909)
Depreciation	9	6,907,760	6,715,656
Operating cash flows before working capital changes		(14,972,281)	(16,945,116)
(Increase)/decrease in deposits, prepayments and other receivables		(108,402)	44,151
Increase in trade receivables		(63,664)	(235,235)
Decrease in unearned income		(35,000)	(1,385,298)
Increase in amounts due to an ultimate holding company		16,498,388	800,546
Decrease in amounts due to related companies		-	(36,222)
Increase/(decrease) in trade payables		275,901	(31,244)
(Decrease)/increase in other payables and accruals		(383,387)	312,744)
Cash flows generated from/(used in) operating activities		1,211,555	(17,475,674)
Interest received		24,928	1,409
Net cash flows generated from/(used in) operating activities		**1,236,483**	(17,474,265)
Cash flows used in investing activity			
Purchase of plant and equipment	9	(56,732)	(4,831,055)
Net cash flows used in investing activity		**(56,732)**	(4,831,055)
Cash flows from financing activity			
Proceeds from issuance of ordinary shares	15	-	19,771,868
Net cash flows generated from financing activity		**-**	19,771,868
Net increase/(decrease) in cash and cash equivalents		1,179,751	(2,533,452)
Cash and cash equivalents at beginning of year		2,166,564	4,700,016
Cash and cash equivalents at end of year	**13**	**3,346,315**	2,166,564

The accompanying accounting policies and explanatory information form an integral part of the consolidated financial statements.

NOTES

to the Consolidated Financial Statements for the financial year ended 31st March, 2013

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1. Corporate information

Financial Technologies Singapore Pte. Ltd. (the "Company") is a private limited company incorporated in Singapore whose registered office is at 1 Temesak Avenue #23-02 Millenia Tower, Singapore 039192. Its holding company is Financial Technologies (India) Limited, a company incorporated in Mumbai, India.

The principal activities of the Company are that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 10 to the consolidated financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The consolidated financial statements of the Group are presented in United States dollars ("USD" or "US$"), which is also the functional currency of the Company and its subsidiary.

The Group and the Company incurred net losses of US$17.3m (2012: US$20.6m) and US$686K (2012: US$36K), respectively for the financial year ended 31 March 2013, and as of that date, the Group's and the Company's current liabilities exceeded its current assets by US$14.4m (2012: net current asset of US$513K) and US$18.4m (2012: US$2.4m), respectively. The ultimate holding company has undertaken to provide the Group and the Company financial support for a period of 1 year from the date of the financial statements, and for any reason if the Group and the Company fail to meet their day to day obligations, it will provide financial support to enable the Group and the Company to continue their day to day operations. In addition, the ultimate holding company has undertaken not to recall the amount due to them towards loan amounting to US$18.6m within the next financial year subject to the Group's and the Company's ability to raise the funds on their own. Accordingly, the financial statements have been prepared on a going concern basis.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 April 2012. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective :

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Presentation of Items of Other	
Comprehensive Income	1 July 2012
Revised FRS 19 Employee Benefits	1 January 2013
FRS 113 Fair Value Measurement	1 January 2013
Amendments to FRS 107 Disclosures - Offsetting Financial	
Assets and Financial Liabilities	1 January 2013
Improvements to FRSs 2012	
- Amendment to FRS 1 Presentation of Financial Statements	1 January 2013
- Amendment to FRS 16 Property, Plant and Equipment	1 January 2013
- Amendment to FRS 32 Financial Instruments: Presentation	1 January 2013
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

Except for the Amendments to FRS 1, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1 is described below :

NOTES

to the Consolidated Financial Statements for the financial year ended 31st March, 2013

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

Amendments to FRS 1 *Presentation of Items of Other Comprehensive ("OCI")* is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

2.4 Basis of consolidation and business combinations

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at the end of the reporting period. The financial statements of its subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting period as the Group. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of a subsidiary at their carrying amounts at the date when controls are lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; or
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

b) Business combinations

Business combinations are accounted for by applying the purchase method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquired a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

2.5 Foreign currencies

a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Group and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operations.

b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Fully depreciated assets are retained in the consolidated financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets. Depreciation of an asset begins when it is available-for-use and is computed on a straight-line basis over the estimated useful lives of the assets as follows :

Software	-	3 to 5 years
Computer hardware	-	3 years
Leasehold improvements	-	Based on remaining lease tenure
Furniture and fittings	-	5 years
Office equipment	-	3 to 5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if applicable.

An item of plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the asset is included in profit or loss in the financial year the asset is de-recognised.

2.7 Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of

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depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.8 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2.9 Financial assets

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the differences between the carrying amount and the sum of the consideration received and any cumulative gains or losses that have been recognised directly in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired and through the amortisation process.

2.10 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying values of the financial assets.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.12 Fidelity Fund

The Fidelity Fund has an initial fund size of S$2 million. The assets of the Fidelity Fund are kept separate from all other assets, and are held in trust for the purpose set out in the Securities and Futures Act.

The purposes of the Fidelity Fund pursuant to Section 186 of the Securities and Futures Act are as follows :

a) to compensate any person (other than an accredited investor) who has suffered a pecuniary loss from any defalcation committed :

  (i) in the course of, or in connection with the trading of a futures contract;

  (ii) by a member of an approved exchange or by any agent of such member; and

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(iii) in relation to any money or other property entrusted to or received :

- by that member or any of its agents; or
- by that member or any of its agents as trustee or on behalf of the trustees of that money or property.

b) to pay the Official Assignee or a trustee in bankruptcy within the meaning of the Bankruptcy Act (Cap. 20) if the available assets of a bankrupt, who is a member of an approved exchange, are insufficient to satisfy any debts arising from trading in futures contracts which have been proved in the bankruptcy by creditors of the bankrupt member.

c) to pay a liquidator of a member of an approved exchange which is being wound up if the available assets of a member are insufficient to satisfy any debts arising from trading in futures contracts which have been proved in the liquidation of the member.

2.13 Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities of initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, other financial liabilities not at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the liabilities are de-recognised and through the amortisation process.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability and the differences in the respective carrying amounts is recognised in profit or loss.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in provisions due to the passage of time is recognised as a finance cost.

2.15 Unearned income

Unearned income is membership fee billed to prospective members before they are recognised as revenue earned.

2.16 Employee benefits

Defined contribution plans

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the financial period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.17 Leases

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.18 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised :

Membership fee

Membership fee is recognised upon the commencement of processing the membership application only if there is no uncertainty over its collectability.

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Trading and clearing fee

Trading and clearing fee is recognised, net of rebates, when services are rendered.

Interest income

Interest income is recognised using the effective interest method.

2.19 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

c) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

Where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

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2.20 Related parties

A related party is defined as follows :

a) A person or a close member of that person's family is related to the Group if that person :

(i) Has control or joint control over the Group;

(ii) Has significant influence over the Group; or

(iii) Is a member of the key management personnel of the Group or of a parent of the Group.

b) An entity is related to the Group if any of the following conditions applies :

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.21 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, which has an impact on the amounts recognised in the consolidated financial statements.

Taxation

The Group has exposure to local income tax jurisdiction. Some judgement is involved in determining the provision for taxation. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the provision for taxation in the financial year in which such determination is made. The carrying amount of the provision for taxation at the end of the reporting period was US$Nil (2012: US$Nil) for the Group.

Deferred tax assets are recognised for all unused tax losses and unrecognised temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying values of recognised tax losses at 31 March 2013 was approximately US$51,307,000 (2012: US$36,485,000), respectively for the Group. The unrecognised tax losses at 31 March 2013 was approximately US$6,499,000 and US$737,000 (2012: US$5,392,000 and US$51,000), respectively for the Group and the Company. The unrecognised temporary differences at 31 March 2013 was approximately US$19,148,000 (2012: US$9,542,000) for the Group.

(In US$)

	Group	
3 Revenue	**2013**	**2012**
Trading and clearing fees	885,785	1,542,756
Membership fees	148,914	1,508,201
	1,034,699	3,050,957

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4. Interest income

Interest income is earned from placement of short-term deposits and cash at banks.

5. Other gains

	Group		Company	
	2013 US$	**2012 US$**	**2013 US$**	**2012 US$**
MAS grant	2,256,584	_	~	—
Foreign exchange gain	-	19	-	19
Others	7,375	51,580	—	—
	2,263,959	51,599		19

6. Staff costs	Group	
	2013 US$	**2012 US$**
Salaries	5,629,439	6,752,199
CPF contributions	247,623	242,467
Recruitment fees	25,115	65,500
Staff welfare	147,834	222,174
	6,050,011	7,282,340

7. Other operating expense	Group		Company	
	2013 US$	**2012 US$**	**2013 US$**	**2012 US$**
Interest expenses	636,139	4,435	636,139	4,435
Foreign exchange loss	51,636	987,623	22,758	-
Write-off of plant and				
equipment	21,238	-	-	-
Others	644,985	903,648	19,202	16,979
	1,353,998	1,895,706	**678,099**	21,414

8. Income tax credit	Group	
	2013 US$	**2012 US$**
Deferred tax (Note 11)	4,555,751	2,990,497
Overprovision in respect of prior years	-	11,117
	4,555,751	3,001,614
The reconciliation between income tax credit and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2013 and 2012 is as follows:		
Loss before taxation	(21,823,449)	(23,648,863)
Tax at the domestic rate of 17% (2012: 17%)	(3,709,986)	(4,020,307)
Adjustments:		
Non-deductible expenses	118,420	168,033
Income not subject to taxation	(24,871)	(29,299)
Deferred tax assets not recognised	-	891,076
Enhanced capital allowances	(399,739)	-
Recognition of deferred tax assets not previously recognised	(540,452)	-
Under/(over)provision in respect of prior years	-	(11,117)
Others	877	-
Income tax credit	**(4,555,751)**	(3,001,614)

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9. Plant and equipment

Group	Software under development US$	Software US$	Computer hardware US$	Leasehold improvements US$	Furniture and fittings US$	Office equipment US$	Total US$
Cost							
Balance at 1 April 2011	1,200,000	26,801,446	2,062,442	800,844	13,417	215,424	31,093,573
Additions	-	4,800,000	27,311	-	-	3,744	4,831,055
Reclassification	(1,200,000)	1,200,000	-	-	-	-	-
Write-off	-	-	-	-	-	(966)	(966)
Balance at 31 March 2012 and at 1 April 2012	-	32,801,446	2,089,753	800,844	13,417	218,202	35,923,662
Additions	-	-	14,645	40,652	1,435	-	56,732
Write-off	-	-	-	(88,898)	-	-	(88,898)
Balance at 31 March 2013	**-**	**32,801,446**	**2,104,398**	**752,598**	**14,852**	**218,202**	**35,891,496**
Accumulated depreciation							
Balance at 1 April 2011	-	3,233,254	1,110,981	678,439	3,150	93,506	5,119,330
Charge for the year	-	6,022,145	592,452	52,974	2,684	45,401	6,715,656
Write-off	-	-	-	-	-	(966)	(966)
Balance at 31 March 2012 and at 1 April 2012	-	9,255,399	1,703,433	731,413	5,834	137,941	11,834,020
Charge for the year	-	6,552,441	261,849	48,318	2,947	42,205	6,907,760
Write-off	-	-	-	(67,660)	-	-	(67,660)
Balance at 31 March 2013	**-**	**15,807,840**	**1,965,282**	**712,071**	**8,781**	**180,146**	**18,674,120**
Net book value							
At 31 March 2012	-	23,546,047	386,320	69,431	7,583	80,261	24,089,642
At 31 March 2013	**-**	**16,993,606**	**139,116**	**40,527**	**6,071**	**38,056**	**17,217,376**

10. Investments in a subsidiary

	Company	
	2013 US$	2012 US$
Unquoted equity shares, at cost	**100,038,619**	84,668,418

The Company has the following subsidiary as at 31 March 2013

Name of a Subsidiaries	Principal activities	Country of incorporation and place of business	Effective percentage of equity held by the Company 2013 %	2012 %
Held by the Company:				
Singapore Mercantile Exchange Pte. Ltd. *	Establishing, operating, regulating, maintaining and managing an electronic commodities exchange with a wholly-owned clearing house	Singapore	100	100
Held through Singapore Mercantile Exchange Pte. Ltd. :				
Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. *	Establishing, operating, regulating, maintaining and managing a clearing house	Singapore	100	100

*Audited by Ernst & Young LLP, Singapore.

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11. Deferred tax assets

	Group			
	Balance Sheets		Statement of Comprehensive Income	
	2013 US$	2012 US$	2013 US$	2012 US$
Differences in depreciation	3,255,094	1,622,254	1,632,840	580,086
Unutilised tax losses	8,722,251	6,202,421	2,519,830	2,125,924
Others	751,415	348,334	403,081	284,487
	12,728,760	8,173,009	**4,555,751**	2,990,497

Deferred tax assets are recognised for all unused tax losses and unrecognised temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses can be utilised. The carrying values of recognised tax losses at 31 March 2013 was approximately US$51,307,000 (2012: US$36,485,000) for the Group. The unrecognised tax losses at 31 March 2013 was approximately US$6,499,000 and US$737,000 (2012: US$5,392,000 and US$51,000) for the Group and the Company. The unrecognised temporary differences at 31 March 2013 was approximately US$19,148,000 (2012: US$9,542,000) for the Group.

	Group		Company	
12. Deposits and prepayments	2013 US$	2012 US$	2013 US$	2012 US$
Refundable deposits	269,332	221,255		
Prepayments	229,295	189,197	4,491	5,537
	498,627	410,452	**4,491**	5,537

13. Cash and cash equivalents

For the purposes of the consolidated cash flow statement, the consolidated cash and cash equivalents comprised the following :

	Group	
	2013 US$	2012 US$
Cash and bank balances	4,346,315	3,166,564
Less: Cash set aside for Settlement Guarantee Fund (Note 20)	(1,000,000)	(1,000,000)
Cash and cash equivalents per consolidated cash flow statement	**3,346,315**	2,166,564

Cash and bank balances denominated in foreign currencies at 31 March 2013 are as follows:

	Group		Company	
	2013 US$	2012 US$	2013 US$	2012 US$
Singapore dollars	1,592,343	1,236,985	15,011	24,349
Euro	192,083	199,951	-	-
Japanese yen	2,653	3,017	-	-

14. Amounts due to an ultimate holding company

Loan from ultimate holding company is charged at 5.80% (2012: 4.75%) per annum and is repayable in one year from date of receipt.

The amounts due to an ultimate holding company (non-trade) are unsecured, interest-free and repayable on demand.

	Group		Company	
	2013 US$	2012 US$	2013 US$	2012 US$
Amounts due to an ultimate holding company (non-trade)	31,681			
Loan	18,618,769	2,396,549	18,618,769	2,396,549
Interest payable	248,922	4,435	248,922	4,435
	18,899,372	2,400,984	**18,867,691**	2,400,984

NOTES

to the Consolidated Financial Statements for the financial year ended 31st March, 2013

15. Share capital

	Group and Company			
	2013		2012	
	No. of shares	US$	No. of shares	US$
Issued and fully paid:				
At 1 April	111,600,001	82,343,435	87,600,001	62,571,567
Issuance of ordinary shares	-	-	24,000,000	19,771,868
At 31 March	**111,600,001**	**82,343,435**	111,600,001	82,343,435

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

16. Related party transactions

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if they have the ability, directly or indirectly, to control or exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals or other entities.

a) The following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year :

	Group	
	2013 US$	2012 US$
Ultimate holding company		
Acquisition of software	_	4,800,000
Information technology operating costs	4,970,112	3,779,794
Advertising and distribution expenses	524	31,861
Other operating expenses	9,512	76,219
Related companies		
Advertising and distribution expenses	8,442	155,977
Other operating expenses	2,164	37,884

b) Key management personnel compensation is as follows :

Short-term employee benefits and directors' fees	1,568,570	1,333,001
CPF contributions	21,405	16,460
	1,589,975	1,349,461

Included in the above is total compensation to directors of the Group amounting to US$213,633 (2012: US$237,329).

17. Commitments

Operating lease commitments - as lessee

The Group has entered into commercial property leases for its office premises. These leases have an average tenure of between 2 to 3 years with renewal options of 2 to 3 years included in the contracts.

Future minimum lease payable under non-cancellable operating leases at the end of the reporting period were as follows :

Not later than one year	710,869	799,722
Later than one year but not later than five years	764,025	239,446
	1,474,894	1,039,168

18. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management of the Company.

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to the Consolidated Financial Statements for the financial year ended 31st March, 2013

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks :

a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from balances with banks. The Group and the Company minimise credit risk by dealing exclusively with high credit rating and reputable financial institutions.

As at 31 March 2013, the Group has significant concentration of credit risk with 3 (2012: 3) financial institutions and there is no financial asset that is either past due or impaired.

The maximum exposure to credit risk is the carrying amount of the financial assets presented on the balance sheets.

b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group monitors and maintains a level of cash deemed sufficient to finance its operations and mitigate the effects of fluctuations in cash flow.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations :

2013	On demand US$	12 months or less US$	Total US$
Group			
Amounts due to an ultimate holding company		18,899,372	18,899,372
Trade payables	-	292,103	292,103
Other payables	-	263,701	263,701
Accruals	-	26,194	26,194
	-	**19,481,370**	**19,481,370**
Company			
Amounts due to an ultimate holding company	**-**	**18,867,691**	**18,867,691**

2012	On demand US$	12 months or less US$	Total US$
Group			
Amounts due to an ultimate holding company		2,400,984	2,400,984
Trade payables	-	16,202	16,202
Other payables	-	457,436	457,436
Accruals	-	144,633	144,633
	-	**3,019,255**	**3,019,255**
Company			
Amounts due to an ultimate holding company		**2,400,984**	**2,400,984**

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing short-term deposits and cash at banks, which are at floating rates and contractually repriced on a monthly basis.

At the end of the reporting period, any reasonable fluctuation in the interest rates will not have a significant impact to the consolidated financial statements of the Group and the Company.

d) Foreign currency risk

The Group has transactional currency exposures arising from operating costs that are denominated in a currency other than USD, the functional currency of the Group. The foreign currencies in which these transactions are denominated are mainly SGD. The Group's receivable and payable balances at the end of the reporting period have similar exposures.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances (mainly in SGD) amount to US$1.59 million and US$0.02 million (2012: US$1.40 million and US$0.02 million), respectively for the Group and the Company.

At the end of the reporting period, a reasonable 10% appreciation/(depreciation) of the SGD against the USD, with all other variables held constant, will result in a decrease/(increase) in net loss of US$0.16 million and US$2,000 (2012: US$0.14 million and US$2,000), respectively for the Group and the Company and an increase/(decrease) in net assets of the same amount.

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to the Consolidated Financial Statements for the financial year ended 31st March, 2013

19. Fair value of financial instruments

The carrying amount of the financial assets and liabilities approximate their fair value due to the relatively short-term maturity of these financial instruments.

Deposits, trade receivables, other receivables and cash and cash equivalents at the end of the reporting period are classified as loans and receivables under FRS 39. Unearned income, amounts due to an ultimate holding company, amounts due to related companies, trade payables, other payables and accruals are not at fair value through profit or loss.

20. Settlement Guarantee Fund

The Settlement Guarantee Fund is established under the clearing rules of its subsidiary, Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. ("SMXCC"), a Designated Clearing House. The Settlement Guarantee Fund shall be used by SMXCC upon the occurrence of a Declared Default to ensure daily or final settlement as a result of the failure of one or more Clearing Members to discharge the Clearing Members' obligations and liabilities in accordance with these Rules.

The Settlement Guarantee Fund is made up of:

(i) security deposit placements from Clearing Members to SMXCC;

(ii) insurance cover taken up by SMXCC for meeting eventualities arising out of failure of one or more Clearing Members to discharge their obligations and liabilities;

(iii) clearing capital contributed by Clearing Corporation; and

(iv) other amounts as decided by SMXCC at its discretion.

a) Contribution from SMXCC

	Group	
	2013 US$	**2012 US$**
Clearing capital (Note 13)	1,000,000	1,000,000

Clearing capital contributions are denominated in USD and/or EUR that are placed in interest bearing accounts with banks. The total contribution was made in the previous financial year when the Group commenced its exchange and clearing activities.

b) Contribution from Clearing Members

Contributions from Clearing Members in the form of security deposits are not recorded in the balance sheets of the Group as these monies are held in trust by the Group :

Security deposits (Cash, held in trust)	3,000,000	3,000,000

c) Settlement of obligations in declared default

Without prejudice to the rights of SMXCC (provided in the Clearing Rules), upon Declared Default of a Clearing Member, SMXCC shall be entitled to apply the following assets in the order stipulated, in whole to satisfy its obligations :

i) any monies, securities or collateral held in any account of or in respect of the Defaulter Clearing Member (including the proceeds of the Security Deposits of the Defaulter Clearing Member except where such monies, securities or collateral relate to any Customer Position);

ii) relevant excess (as defined in the insurance policy) from the Clearing Capital contributed by SMXCC;

iii) the proceeds of any insurance designated for the purposes of these Rules, provided that in the case of any relevant policy the maximum total liability and maximum per default liability as defined in the insurance policy;

iv) 25% of the residual default amount (if any) from Clearing Capital;

v) the balance 75% of the residual default amount (if any) from the Security Deposits of the non-defaulting Clearing Members;

vi) the balance (if any) from the Clearing Capital contributed by SMXCC; and

vii) any other monies or other assets available to SMXCC.

21. Additional security deposits from Clearing Members

	2013 US$	**2012 US$**
Additional security deposits (Cash, held in trust)	4,890,995	3,068,158

22. Capital management

The Company maintains an actively managed capital base to cover risks inherent in the business. The primary objectives of the Company's capital management are to ensure that the Company maintains healthy capital ratios in order to support its business.

23. Authorisation of consolidated financial statements

The consolidated financial statements of the Group for the financial year ended 31 March 2013 were authorised for issue in accordance with a resolution of the directors on 20 May 2013.

DIRECTORS' REPORT

The directors are pleased to present their report to the member together with the audited consolidated financial statements of Singapore Mercantile Exchange Pte. Ltd. (the "Company") and its subsidiary (collectively, the "Group") for the financial year ended 31 March 2013.

1. **Directors**

The directors of the Company in office at the date of this report are :

Ang Swee Tian
Jignesh Shah
Tan Soo Nan @ Tan Soo Nam
Joseph Massey
Vaidyalingam Hariharan
Iyengar Vijaykumar Gopalan

2. **Arrangements to enable directors to acquire shares or debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. **Directors' interests in shares or debentures**

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		**Deemed interest**	
Name of directors	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the holding company (Financial Technologies (India) Limited)				
Jignesh Shah	8,329,585	8,329,585	12,386,671	12,386,671
Vaidyalingam Hariharan	3000	3000	-	-

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

4. **Directors' contractual benefits**

Except as disclosed in the consolidated financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. **Share options**

During the financial year, there was :

- no option granted by the Company to any person to take up unissued shares in the Company; and
- no share issued by virtue of any exercise of option to take up unissued shares of the Company.

At the end of the financial year, there was no unissued share of the Company under option.

6. **Auditor**

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors

Vaidyalingam Hariharan
Director

Joseph Massey
Director

Place: Singapore
Date: 20 MAY 2013

STATEMENT BY DIRECTORS

We, Vaidyalingam Hariharan and Joseph Massey, being two of the directors of Singapore Mercantile Exchange Pte. Ltd., do hereby state that, in the opinion of the directors:

(i) the accompanying statements of comprehensive income, balance sheets, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2013 and the results of the business and changes in equity of the Group and of the Company and cash flows of the Group for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors

Vaidyalingam Hariharan	**Joseph Massey**
Director	Director

Place: Singapore
Date: 20 MAY 2013

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 March 2013

Independent Auditor's Report to the Member of Singapore Mercantile Exchange Pte. Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Singapore Mercantile Exchange Pte. Ltd. (the "Company") and its subsidiary (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 March 2013, the statement of comprehensive income and the statements of changes in equity of the Group and the Company and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 March 2013 and of the results, changes in equity and cash flows of the Group and of the results and changes in equity of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Certified Public Accountants

Place: Singapore
Date: 20 MAY 2013

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2013

(in USD)

		GROUP		COMPANY	
	Note	2013	2012	2013	2012
Revenue					
Revenue	3	1,034,699	3,050,957	928,405	2,381,731
Interest income	4	77,830	11,909	773	410
Other gains	5	2,263,959	51,580	2,263,209	51,580
Management fee income		-	-	2,487,388	2,788,193
		3,376,488	3,114,446	5,679,775	5,221,914
Expenses					
Staff costs	6	(6,050,011)	(7,282,340)	(6,050,011)	(7,282,340)
Operating leases		(919,339)	(800,828)	(919,339)	(800,828)
Advertising and distribution expenses		(3,904,168)	(5,269,769)	(3,903,513)	(5,269,152)
Legal and professional fees		(403,452)	(439,577)	(288,043)	(320,979)
Information technology operating costs		(5,652,931)	(4,344,804)	(4,328,774)	(3,246,024)
Depreciation	9	(6,907,760)	(6,715,656)	(5,385,458)	(5,253,354)
Other operating expenses	7	(675,899)	(1,874,292)	(665,902)	(1,801,182)
		(24,513,560)	(26,727,266)	(21,541,040)	(23,973,859)
Loss before tax		(21,137,072)	(23,612,820)	(15,861,265)	(18,751,945)
Income tax credit	8	4,555,751	3,001,614	3,648,377	2,193,898
Net loss after tax attributable to the owner of the Company		(16,581,321)	(20,611,206)	(12,212,888)	(16,558,047)
Other comprehensive income		-	-	-	-
Total comprehensive income attributable to the owner of the Company		**(16,581,321)**	**(20,611,206)**	**(12,212,888)**	**(16,558,047)**

The accompanying accounting policies and explanatory information form an integral part of the consolidated financial statements.

BALANCE SHEETS

As at 31 March 2013

(in USD)

		GROUP		COMPANY	
	Note	2013	2012	2013	2012
ASSETS					
Non-current assets					
Plant and equipment	9	17,217,376	24,089,642	13,408,480	18,758,444
Investments in a subsidiary	10	-	-	17,428,848	16,178,848
Deferred tax assets	11	12,728,760	8,173,009	10,500,553	6,852,176
		29,946,136	**32,262,651**	**41,337,881**	**41,789,468**
Current assets					
Deposits and prepayments	12	494,136	404,915	472,553	382,619
Amounts due from a subsidiary	13	-	-	673,628	-
Trade receivables		311,345	247,681	-	-
Other receivables		118,629	45,500	55,227	35,000
Cash and cash equivalents	14	3,905,524	3,142,215	1,910,503	1,201,395
		4,829,634	**3,840,311**	**3,111,911**	**1,619,014**
LIABILITIES					
Current liabilities					
Unearned income		-	35,000	-	35,000
Amounts due to a subsidiary	13	-	-	-	1,730,518
Amounts due to an ultimate holding company	15	31,681	-	31,681	-
Trade payables		292,103	16,202	-	-
Other payables		263,701	457,436	263,701	457,436
Accruals and provisions		248,288	443,207	232,672	421,103
		835,773	**951,845**	**528,054**	**2,644,057**
Net current assets/ (liabilities)		**3,993,861**	**2,888,466**	**2,583,857**	**(1,025,043)**
Net assets		**33,939,997**	**35,151,117**	**43,921,738**	**40,764,425**
EQUITY					
Share capital	16	97,700,000	82,329,799	97,700,000	82,329,799
Accumulated losses		(63,760,003)	(47,178,682)	(53,778,262)	(41,565,374)
Total equity		**33,939,997**	**35,151,117**	**43,921,738**	**40,764,425**

The accompanying accounting policies and explanatory information form an integral part of the consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2013

(in USD)

	Share capital (Note 16)	Accumulated losses	Total Equity
Group			
At 1 April 2011	60,161,382	(26,567,476)	33,593,906
Issuance of ordinary shares	22,168,417	-	22,168,417
Total comprehensive income for the year	-	(20,611,206)	(20,611,206)
At 31 March 2012 and at 1 April 2012	82,329,799	(47,178,682)	35,151,117
Issuance of ordinary shares	15,370,201	-	15,370,201
Total comprehensive income for the year	-	(16,581,321)	(16,581,321)
At 31 March 2013	97,700,000	(63,760,003)	33,939,997
Company			
At 1 April 2011	60,161,382	(25,007,327)	35,154,055
Issuance of ordinary shares	22,168,417	-	22,168,417
Total comprehensive income for the year	-	(16,558,047)	(16,558,047)
At 31 March 2012 and at 1 April 2012	82,329,799	(41,565,374)	40,764,425
Issuance of ordinary shares	15,370,201	-	15,370,201
Total comprehensive income for the year	-	(12,212,888)	(12,212,888)
At 31 March 2013	97,700,000	(53,778,262)	43,921,738

The accompanying accounting policies and explanatory information form an integral part of the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 March 2013

(in USD)

	Note	2013	2012
Cash flows from operating activities			
Loss before tax		(21,137,072)	(23,612,820)
Adjustments for:			
Write-off of plant and equipment		21,238	-
Interest income		(77,830)	(11,909)
Depreciation	9	6,907,760	6,715,656
Operating cash flows before working capital changes		(14,285,904)	(16,909,073)
(Increase)/decrease in deposits, prepayments and other receivables		(109,448)	14,357
Increase in trade receivables		(63,664)	(200,235)
Decrease in unearned income		(35,000)	(1,385,298)
Increase/(decrease) in amounts due to an ultimate holding company		31,681	(1,600,438)
Decrease in amounts due to related companies		-	(36,222)
Increase/(decrease) in trade payables		275,901	(31,244)
(Decrease)lincrease in other payables and accruals and provisions		(388,654)	312,492
Cash flows used in operating activities		(14,575,088)	(19,835,661)
Interest received		24,928	1,409
Net cash flows used in operating activities		(14,550,160)	(19,834,252)
Cash flows used in investing activity			
Purchase of plant and equipment	9	(56,732)	(4,831,055)
Net cash flows used in investing activity		(56,732)	(4,831,055)
Cash flows from financing activity			
Proceeds from issuance of ordinary shares	16	15,370,201	22,168,417
Net cash flows generated from financing activity		15,370,201	22,168,417
Net increase/(decrease) in cash and cash equivalents		763,309	(2,496,890)
Cash and cash equivalents at beginning of year		2,142,215	4,639,105
Cash and cash equivalents at end of year	14	2,905,524	2,142,215

The accompanying accounting policies and explanatory information form an integral part of the consolidated financial statements.

NOTES

to the consolidated financial statements For the year ended 31 March 2013

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1. Corporate information

Singapore Mercantile Exchange Pte. Ltd. (the "Company") is a private limited company incorporated in Singapore whose registered office is at 1 Temesak Avenue #23-02 Millenia Tower, Singapore 039192. Its immediate holding company is Financial Technologies Singapore Pte. Ltd., which is incorporated in Singapore. The ultimate holding company is Financial Technologies (India) Limited, a company incorporated in Mumbai, India.

The principal activities of the Company are to establish, operate, regulate, maintain and manage an electronic commodities exchange with a wholly-owned clearing house. The principal activities of its subsidiary are disclosed in Note 10 to the consolidated financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The consolidated financial statements of the Group are presented in United States dollars ("USD" or "US$"), which is also the functional currency of the Company and its subsidiary.

The Group incurred net losses of US$16.6m (2012: US$20.6m), and net cash flows used in operating activities amounted to US$14.6m (2012: US$19.8m) for the financial year ended 31 March 2013. The ultimate holding company has undertaken to provide the Group financial support for a period of 1 year from the balance sheet date, and for any reason if the Group fails to meet its day to day obligations, it will provide financial support to enable the Group to continue its day to day operations. Accordingly, the financial statements of the Group have been prepared on a going concern basis.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 April 2012. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
Revised FRS 19 Employee Benefits	1 January 2013
FRS 113 Fair Value Measurement	1 January 2013
Amendments to FRS 107 Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Improvements to FRSs 2012	1 January 2013
- Amendment to FRS 1 Presentation of Financial Statements	1 January 2013
- Amendment to FRS 16 Property. Plant and Equipment	1 January 2013
- Amendment to FRS 32 Financial Instruments: Presentation	1 January 2013
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

Except for the Amendments to FRS 1, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1 is described below:

NOTES

to the consolidated financial statements For the year ended 31 March 2013

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

Amendments to FRS 1 Presentation of Items of Other Comprehensive ("OCI') is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

2.4 Basis of consolidation and business combinations

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at the end of the reporting period. The financial statements of its subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Group. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction. If the Group losses control over a subsidiary, it :

- de-recognises the assets (including goodwill) and liabilities of a subsidiary at their carrying amounts at the date when controls are lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; or
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

b) Business combinations

Business combinations are accounted for by applying the purchase method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquired a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

2.5 Foreign currencies

a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Group and its subsidiary and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity, The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the

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end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Fully depreciated assets are retained in the consolidated financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.DepreCiation of an asset begins when it is available-for-use and is computed on a straightline basis over the estimated useful lives of the assets as follows:

Software	-	3 to 5 years
Computer hardware	-	3 years
Leasehold improvements	-	Based on remaining lease tenure
Furniture and fittings	-	5 years
Office equipment	-	3 to 5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if applicable.

An item of plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

2.7 Impairment of non-financial assets

The Group assesses at each end of the reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.8 Subsidiary

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the Company's separate financial statements, investments in a subsidiary are accounted for at cost less any impairment losses.

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2.9 Financial assets

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the differences between the carrying amount and the sum of the consideration received and any cumulative gains or losses that have been recognised directly in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired and through the amortisation process.

2.10 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying values of the financial assets.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.12 Fidelity Fund

The Fidelity Fund has an initial fund size of S$2 million. The assets of the fund are kept separate from all other assets, and are held in trust for the purpose set out in the Securities and Futures Act.

The purposes of the Fidelity Fund pursuant to Section 186 of the Securities and Futures Act are as follows:

a) to compensate any person (other than an accredited investor) who has suffered a pecuniary loss from any defalcation committed:
   - (i) in the course of, or in connection with the trading of a futures contract;
   - (ii) by a member of an approved exchange or by any agent of such member; and
   - (iii) in relation to any money or other property entrusted to or received:
     - by that member or any of its agents; or
     - by that member or any of its agents as trustee or on behalf of the trustees of that money or property.

b) to pay the Official Assignee or a trustee in bankruptcy within the meaning of the Bankruptcy Act (Cap. 20) if the available assets of a bankrupt, who is a member of an approved exchange, are insufficient to satisfy any debts arising from trading in futures contracts which have been proved in the bankruptcy by creditors of the bankrupt member.

c) to pay a liquidator of a member of an approved exchange which is being wound up if the available assets of a member are insufficient to satisfy any debts arising from trading in futures contracts which have been proved in the liquidation of the member.

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2.13 Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities of initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, other financial liabilities not at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the liabilities are de-recognised and through the amortisation process.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability and the differences in the respective carrying amounts is recognised in profit or loss.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in provisions due to the passage of time is recognised as a finance cost.

2.15 Unearned income

Unearned income is membership fee billed to prospective members before they are recognised as revenue earned.

2.16 Employee benefits

Defined contribution plans

The Group makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the financial period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.17 Leases

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.18 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as prinCipal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised :

Membership fee

Membership fee is recognised upon the commencement of processing the membership application only if there is no uncertainty over its collectability.

Trading and clearing fee

Trading and clearing fee is recognised, net of rebates, when services are rendered.

Interest income

Interest income is recognised using the effective interest method.

2.19 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax ariSing from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

c) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except :

- Where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.20 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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(v) The entity Is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.21 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, which has an impact on the amounts recognised in the consolidated financial statements.

Taxation

The Group has exposure to local income tax jurisdiction. Some judgement is involved in determining the provision for taxation. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the provision for taxation in the financial year in which such determination is made. The carrying amount of the provision for taxation at the end of the reporting period was US$Nil (2012: US$Nil) for the Group and the Company.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying values of recognised tax losses at 31 March 2013 was approximately US$51,307,000 and US$42,022,000 (2012: US$36,485,000 and US$30,996,000), respectively for the Group and the Company. The unrecognised tax losses at 31 March 2013 was approximately US5,762,000 (2012: US$5,341,000) for the Group and the Company. The unrecognised temporary differences at 31 March 2013 was approximately US$19,148,000 and US$15,326,000 (2012: US$9,542,000 and US$7,262,000), respectively for the Group and the Company.

3. REVENUE

(in USD)

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
Trading and clearing fees	885,785	1,542,756	779,491	1,357,626
Membership fees	148,914	1,508,201	148,914	1,024,105
	1,034,699	**3,050,957**	**928,405**	**2,381,731**

4. INTEREST INCOME

Interest income is earned from placement of short-term deposits and cash at banks.

5. OTHER GAINS

(in USD)

	GROUP		COMPANY	
	2013	**2012**	**2013**	**2012**
MAS grant	2,256,584	-	2,256,584	-
Others	7,375	51,580	6,625	51,580
	2,263,959	**51,580**	**2,263,209**	**51,580**

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6. STAFF COSTS

(in USD)

	GROUP AND COMPANY	
	2013	2012
Salaries	5,629,439	6,752,199
CPF contributions	247,623	242,467
Recruitment fees	25,115	65,500
Staff welfare	147,834	222,174
	6,050,011	**7,282,340**

7. OTHER OPERATING EXPENSES

(in USD)

	GROUP		COMPANY	
	2013	2012	2013	2012
Foreign exchange loss	28,878	987,623	19,012	920,553
Write-off of plant and equipment	21,238	-	21,238	-
Others	625,783	886,669	625,652	880,629
	675,899	**1,874,292**	**665,902**	**1,801,182**

8. Income tax credit

Current income tax refund	-	-	-	-
Deferred tax (Note 11)	4,555,751	2,990,497	3,648,377	2,183,163
Under/(over)provision in respect of prior years	-	11,117	-	10,735
	4,555,751	**3,001,614**	**3,648,377**	**2,193,898**

The reconciliation between income tax credit and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2013 and 2012 is as follows :

Loss before taxation	(21,137,072)	(23,612,820)	(15,861,265)	(18,751,945)
Tax at the domestic rate of 17% (2012: 17%)	(3,593,302)	(4,014,179)	(2,696,415)	(3,187,831)
Adjustments :				
Non-deductible expenses	1,736	161,905	-	142,891
Income not subject to taxation	(24,871)	(29,299)	(11 ,771)	(29,299)
Effect of deferred tax assets not recognised	-	891 ,076	-	891 ,076
Overprovision in respect of prior years	-	(11,117)	-	(10,735)
Enhanced capital allowance	(399,739)	-	(399,739)	--
Recognition of deferred tax assets not previously recognised	(540,452)	-	(540,452)	
Others	877	-	-	-
Income tax credit	(4,555,751)	(3,001,614)	(3,648,377)	(2,193,898)

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9. PLANT AND EQUIPMENT

(in USD)

	Software under development	Software	Computer hardware	Leasehold improve-ments	Furniture and fittings	Office equipment	Total
GROUP							
Cost							
Balance at 1 April 2011	1,200,000	26,801,446	2,062,442	800,844	13,417	215,424	31,093,573
Additions	-	4,800,000	27,311	-	-	3,744	4.831,055
Reclassification	(1,200,000)	1,200.000	-	-	-	-	-
Write-off	-	-	-	-	-	(966)	(966)
Balance at 31 March 2012 and at 1 April 2012	**-**	**32,801,446**	**2,089,753**	**800,844**	**13,417**	**218,202**	**35,923,662**
Additions	-	-	14,645	40,652	1,435	-	56,732
Write-off	-	-	-	(88,898)	-	-	88,898)
Balance at 31 March 2013	**-**	**32,801,446**	**2,104,398**	**752,598**	**14,852**	**218,202**	**35,891,496**
Accumulated depreciation							
Balance at 1 April 2011	-	3,233,254	1,110,981	678,439	3,150	93,506	5,119,330
Charge for the year	-	6,022,145	592,452	52,974	2,684	45,401	6,715,656
Write-off	-	-	-	-	-	(966)	(966)
Balance at 31 March 2012 and at 1 April 2012	**-**	**9,255,399**	**1,703,433**	**731,413**	**5,834**	**137,941**	**11,834,020**
Charge for the year	-	6,552,441	261,849	48,318	2,947	42,205	6,907,760
Write-off	-	-	-	(67,660)	-	-	(67,660)
Balance at 31 March 2013	**-**	**15,807,840**	**1,965,282**	**712,071**	**8,781**	**180,146**	**18,674,120**
Net book value							
At 31 March 2012	-	23,546,047	386,320	69,431	7,583	80,261	24,089,642
At 31 March 2013	**-**	**16,993,606**	**139,116**	**40,527**	**6,071**	**38,056**	**17,217,376**
COMPANY							
Cost							
Balance at 1 April 2011	1,200,000	19,789,937	2,062,442	800,844	13,417	215,424	24,082,064
Additions	-	4,200,000	27,311	-	-	3,744	4,231,055
Reclassification	(1,200,000)	1,200,000	-	-	-	-	-
Write-off	-	-	-	-	-	(966)	(966)
Balance at 31 March 2012 and at 1 April 2012	**-**	**25,189,937**	**2,089,753**	**800,844**	**13,417**	**218,202**	**28,312,153**
Additions	-	-	14,645	40,652	1,435	-	56,732
Reclassification	-	-	-	-	-	-	-
Write-off	**-**	-	-	(88,898)	-	-	(88,898)
Balance at 31 March 2013	-	**25,189,937**	**2,104,398**	**752,598**	**14,852**	**218,202**	**28,279,987**
Accumulated depreciation							
Balance at 31 March 2011 and at 1 April 2011	-	2,415,245	1,110,981	678,439	3,150	93,506	4,301,321
Charge for the year	-	4,559,843	592,452	52,974	2,684	45,401	5,253,354
Write-off	-	-	-	-	-	(966)	(966)
Balance at 31 March 2012 and at 1 April 2012	**-**	**6,975,088**	**1,703,433**	**731,413**	**5,834**	**137,941**	**9,553,709**
Charge for the year	-	5,030,139	261,849	48,318	2,947	42,205	5,385,458
Write-off	-	-	-	(67,660)	-	-	(67,660)
Balance at 31 March 2013	**-**	**12,005,227**	**1,965,282**	**712,071**	**8,781**	**180,146**	**14,871,507**
Net book value							
At 31 March 2012	-	18,214,849	386,320	69,431	7,583	80,261	18,758,444
At 31 March 2013	**-**	**13,184,710**	**139,116**	**40,527**	**6,071**	**38,056**	**13,408,480**

NOTES

to the consolidated financial statements For the year ended 31 March 2013

10. INVESTMENTS IN A SUBSIDIARY

(in USD)

	COMPANY	
	2013	2012
Unquoted equity shares, at cost	17,428,848	16,178,848

The Company has the following subsidiary as at 31 March 2013:

Name of a subsidiary	Principal activities	Country of incorporation and place of business	Effective percentage of equity heldby the Company	
			2013 %	2012 %
Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. *	Establishing, operating, regulating, maintaining and managing a clearing house	Singapore	100	100

* Audited by Ernst & Young LLP, Singapore.

11. DEFERRED TAX ASSETS

(in USD)

	GROUP			
	Balance sheets		Statement of comprehensive income	
	2013	2012	2013	2012
Differences in depreciation	3,255,094	1,622,254	1,632,840	580,086
Unutilised tax losses	8,722,251	6,202,421	2,519,830	2,125,924
Others	751,415	348,334	403,081	284,487
	12,728,760	**8,173,009**	**4,555,751**	**2,990,497**
	COMPANY			
Differences in depreciation	2,605,420	1,234,601	1,370,818	331,495
Unutilised tax losses	7,143,718	5,269,241	1,874,478	1,567,181
Others	751,415	348,334	403,081	284,487
	10,500,553	**6,852,176**	**3,648,377**	**2,183,163**

Deferred tax assets are recognised for all unused tax losses and unrecognised temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses can be utilised. The carrying values of recognised tax losses at 31 March 2013 was approximately US$51,307,000 and US$42,022,000 (2012: US$36,485,000 and US$30,996,000), respectively for the Group and the Company. The unrecognised tax losses at 31 March 2013 was approximately US$5,762,000 (2012: US$5,341,000) for the Group and the Company. The unrecognised temporary differences at 31 March 2013 was approximately US$19,148,000 and US$15,326,000 (2012: US$9,542,000 and US$7,262,000), respectively for the Group and the Company.

12. DEPOSITS AND PREPAYMENTS

(in USD)

	GROUP		COMPANY	
	2013	2012	2013	2012
Refundable deposits	269,332	221,255	269,332	221,255
Prepayments	224,804	183,660	203,221	161,364
	494,136	**404,915**	**472,553**	**382,619**

13. Amounts due from/(to) a subsidiary

The amounts are non-trade in nature, unsecured, interest-free and repayable on demand.

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to the consolidated financial statements For the year ended 31 March 2013

14. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated cash flow statement, the consolidated cash and cash equivalents comprised the following :

(in USD)

	GROUP	
	2013	2012
Cash and bank balances	3,905,524	3,142,215
Less: Cash set aside for Settlement Guarantee Fund (Note 21)	(1,000,000)	(1,000,000)
Cash and cash equivalents per consolidated cash flow statement	**2,905,524**	**2,142,215**

Cash and bank balances denominated in foreign currencies at 31 March 2013 are as follows :

(in USD)

	GROUP		COMPANY	
	2013	2012	2013	2012
Singapore dollars	1,577,332	1,212,637	1,414,787	1,143,907
Euro	192,083	199,951	-	-
Japanese yen	2,653	3,017	-	-

15. AMOUNTS DUE TO AN ULTIMATE HOLDING COMPANY

The amounts due to an ultimate holding company are non-trade in nature, unsecured, interest-free and repayable on demand.

16. SHARE CAPITAL

	GROUP AND COMPANY			
	2013		2012	
	No. of shares	USD	No. of shares	USD
At 1 April	1,145,000,010	82,329,799	875,000,010	60,161,382
Issuance of ordinary shares	191,226,336	15,370,201	270,000,000	22,168,417
At 31 March	**1,336,226,346**	**97,700,000**	**1,145,000,010**	**82,329,799**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

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to the consolidated financial statements For the year ended 31 March 2013

17. RELATED PARTY TRANSACTIONS

a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

(in USD)

	GROUP	
	2013	**2012**
Ultimate holding company		
Acquisition of software	-	4,800,000
Information technology operating costs	4,970,112	3,779,794
Advertising and distribution expenses	524	31,861
Other operating expenses	9,512	76,219
Related companies		
Advertising and distribution expenses	8,442	155,977
Other operating expenses	2,164	37,884
b) Key management personnel compensation is as follows :		
Short-term employee benefits and directors' fees	1,548,392	1,318,138
CPF contributions	21,405	16,460
	1,569,797	**1,334,598**

Included in the above is total compensation to director of the company amounting to USD 193,455 (2012: USD 222,466)

18. COMMITMENTS

Operating lease commitments - as lessee

The Group has entered into commercial property leases for its office premises. These leases have an average tenure of between 2 to 3 years with renewal options of 2 to 3 years included in the contracts.

Future minimum lease payable under non-cancellable operating leases at the end of the reporting period are as follows:

(in USD)

	GROUP	
	2013	**2012**
Not later than one year	710,869	799,722
Later than one year but not later than five years	764,025	239,446
	1,474,894	**1,039,168**

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management of the Company.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks :

a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from balances with banks. The Group and the Company minimise credit risk by dealing exclusively with high credit rating and reputable financial institutions.

As at 31 March 2013, the Group has significant concentration of credit risk with 3 (2012: 3) financial institutions and there is no financial asset that is either past due or impaired.

The maximum exposure to credit risk is the carrying amount of the financial assets presented on the balance sheet.

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to the consolidated financial statements For the year ended 31 March 2013

b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group monitors and maintains a level of cash deemed sufficient to finance its operations and mitigate the effects of fluctuations in cash flow.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

(in USD)

2013	On demand	12 months or less	Total
Group			
Amounts due to an ultimate holding company	31,681	-	31,681
Trade payables	-	292,103	292,103
Other payabies	-	263,701	263,701
Accruals	-	26,194	26,194
	31,681	**581,998**	**613,679**
Company			
Amounts due to an ultimate holding company	31 ,681	-	31,681
Other payables	-	263,701	263,701
Accruals	-	24,883	24,883
	31,681	**288,584**	**320,265**
2012			
Group			
Trade payables	-	16,202	16,202
Other payables	-	457,436	457,436
Accruals	-	144,633	144,633
	-	**618,271**	**618,271**
Company			
Amounts due to a subsidiary	1,730,518	-	1,730,518
Other payables	-	457,436	457,436
Accruals	-	144,633	144,633
	1,730,518	**602,069**	**2,332,587**

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing short-term deposits and cash at banks, which are at floating rates and contractually repriced on a monthly basis.

At the end of the reporting period, any reasonable fluctuation in the interest rates will not have a significant impact to the consolidated financial statements of the Group and the Company.

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to the consolidated financial statements For the year ended 31 March 2013

d) Foreign currency risk

The Group has transactional currency exposures arising from operating costs that are denominated in a currency other than USD, the functional currency of the Group. The foreign currencies in which these transactions are denominated are mainly SGD. TheGroup's receivable and payable balances at the end of the reporting period have similar exposures.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances (mainly in SGD) amount to US$1.77 million and US$1.41 million (2012: US$1.42 million and US$1 .14 million), respectively for the Group and the Company.

At the end of the reporting period, a reasonable 10% appreciation/(depreciation) of the SGD against the USD, with all other variables held constant, will result in a decrease/(increase) in net loss of US$0.18 million and US$0.14 million (2012: US$0.14 million and US$0.11 million), respectively for the Group and the Company and an increase/(decrease) in net assets of the same amount.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the financial assets and liabilities approximate their fair value due to the relatively short-term maturity of these financial instruments.

Deposits, amounts due from a subsidiary, trade receivables, other receivables and cash and cash equivalents at the end of the reporting period are classified as loans and receivables under FRS 39. Unearned income, amounts due to a subsidiary, amounts due to an ultimate holding company, amounts due to related companies, trade payables, other payables and accruals are not at fair value through profit or loss.

21. SETTLEMENT GUARANTEE FUND

The Settlement Guarantee Fund is established under the clearing rules of its subsidiary, Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. ("SMXCC"), a Designated Clearing House. The Settlement Guarantee Fund shall be used by SMXCC upon the occurrence of a Declared Default to ensure daily or final settlement as a result of the failure of one or more Clearing Members to discharge the Clearing Members' obligations and liabilities in accordance with these Rules.

The Settlement Guarantee Fund is made up of :

(i) Security deposit placements from Clearing Members to SMXCC;

(ii) Insurance cover taken up by SMXCC for meeting eventualities arising out of failure of one or more Clearing Members to discharge their obligations and liabilities;

(iii) Clearing capital contributed by Clearing Corporation; and

(iv) Other amounts as decided by SMXCC at its discretion.

a) Contribution from SMXCC

(in USD)

	GROUP	
	2013	**2012**
Clearing capital (Note 14)	1,000,000	1,000,000

Clearing capital contributions are denominated in USD and/or EUR that are placed in interest bearing accounts with banks. The total contribution was made in the previous financial year when the Group commenced its exchange and clearing activities.

b) Contribution from Clearing Members

Contributions from Clearing Members in the form of security deposits are not recorded in the consolidated balance sheets of the Group as these monies are held in trust by the Group:

Security deposits (Cash, held in trust)	3,000,000	3,000,000

c) Settlement of obligations in declared default

Without prejudice to the rights of SMXCC (provided in the Clearing Rules), upon Declared Default of a Clearing Member, SMXCC shall be entitled to apply the following assets in the order stipulated, in whole to satisfy its obligations:

i) Any monies, securities or collateral held in any account of or in respect of the Defaulter Clearing Member (including the proceeds of the Security Deposits of the Defaulter Clearing Member except where such monies, securities or collateral relate to any Customer Position);

ii) Relevant excess (as defined in the insurance policy) from the Clearing Capital contributed by SMXCC;

iii) The proceeds of any insurance designated for the purposes of these Rules, provided that in the case of any relevant policy the maximum total liability and maximum per default liability as defined in the insurance policy;

iv) 25% of the residual default amount (if any) from Clearing Capital;

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to the consolidated financial statements For the year ended 31 March 2013

v) The balance 75% of the residual default amount (if any) from the Security Deposits of the non-defaulting Clearing Members;

vi) The balance (if any) from the Clearing Capital contributed by SMXCC; and

vii) Any other monies or other assets available to SMXCC.

22. ADDITIONAL SECURITY DEPOSITS FROM CLEARING MEMBERS

(in USD)

	GROUP	
	2013	2012
Additional security deposits (cash, held in trust)	4,890,995	3,068,158

23. CAPITAL MANAGEMENT

The Group maintains an actively managed capital base to cover risks inherent in the business. The primary objectives of the Group's capital management are to ensure that the Group complies with regulatory requirements and that the Group maintains healthy capital ratios in order to support its business.

The Group and the Company are required to comply with industry-specific capital requirements in the industry they operate in. The following table sets forth details of the capital requirements imposed by the Monetary Authority of Singapore ("MAS") :

(in USD)

	GROUP		COMPANY	
	2013	2012	2013	2012
Financial resources	21,211,000	26,979,000	15,992,000	17,734,000
Less: Total risk requirement	(10,047,000)	(14,758,000)	(8,078,000)	(11,987,000)
	11,164,000	**12,221,000**	**7,914,000**	**5,747,000**
Financial resources/ total risk requirement ratio	211%	183%	198%	148%

Additionally, the Group is required to meet the Base Capital Requirements imposed by MAS. The Company has been in compliance with the requirement since the effective date imposed by MAS.

24. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 10 April 2013, the Company made a capital injection of US$1 million into its subsidiary.

25. AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the financial year ended 31 March 2013 were authorised for issue in accordance with a resolution of the directors on 20 May 2013.

DIRECTORS' REPORT

The directors are pleased to present their report to the member together with the audited financial statements of Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. (the "Company") for the financial year ended 31 March 2013.

1. **Directors**

The directors of the Company in office at the date of this report are :
Jignesh Shah
Joseph Massey
Vaidyalingam Hariharan
Iyengar Vijaykumar Gopalan

2. **Arrangements to enable directors to acquire shares or debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. **Directors' interests in shares or debentures**

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of directors	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the ultimate holding company (Financial Technologies (India) Limited)				
Jignesh Shah	8,329,585	8,329,585	12,386,671	12,386,671
Vaidyalingam Hariharan	3,000	3,000	-	-

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

4. **Directors' contractual benefits**

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. **Share options**

During the financial year, there was :
- no option granted by the Company to any person to take up unissued shares in the Company; and
- no share issued by virtue of any exercise of option to take up unissued shares of the Company.

At the end of the financial year, there was no unissued share of the Company under option.

6. **Auditor**

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors,

Vaidyalingam Hariharan
Director

Joseph Massey
Director

Place: Singapore
Date: 20 May 2013

STATEMENT BY DIRECTORS

We, Vaidyalingam Hariharan and Joseph Massey, being two of the directors of Singapore Mercantile Exchange Clearing Corporation Pte. Ltd., do hereby state that, in the opinion of the directors:

(i) the accompanying statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors,

Vaidyalingam Hariharan	**Joseph Massey**
Director	Director

Place : Singapore
Date : 20 May 2013

INDEPENDENT AUDITOR'S REPORT

to the Members of Singapore Mercantile Exchange Clearing Corporation Pte. Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. (the "Company"), which comprise the balance sheet as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013 and of the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants
Singapore
20 MAY 2013

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2013

(US$)

Particulars	Note	2013	2012
Revenue			
Revenue	3	106,294	669,226
Interest income	4	77,057	11,499
Other income		750	-
		184,101	680,725
Expenses			
Management fee expense	12	(2,487,388)	(2,788,193)
Information technology operating costs	12	(1,324,157)	(1,098,780)
Legal and professional fees		(115,409)	(118,598)
Advertising and distribution expenses		(655)	(617)
Depreciation	7	(1,522,302)	(1,462,302)
Other operating expenses	5	(9,997)	(73,110)
		(5,459,908)	(5,541,600)
Loss before tax		**(5,275,807)**	(4,860,875)
Income tax credit	6	907,374	807,716
Loss after tax attributable to the owner of the Company		**(4,368,433)**	(4,053,159)
Other comprehensive income		-	-
Total comprehensive income attributable to the owner of the Company		**(4,368,433)**	(4,053,159)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

BALANCE SHEET

as at 31 March 2013

(US$)

Particulars	Note	2013	2012
ASSETS			
Non-current assets			
Plant and equipment	7	3,808,896	5,331,198
Deferred tax assets	8	2,228,207	1,320,833
		6,037,103	**6,652,031**
Current assets			
Trade receivables		311,345	247,681
Amounts due from an immediate holding company	10	-	1,730,518
Prepayments		21,583	22,296
Other receivables		63,402	10,500
Cash and cash equivalents	9	1,995,021	1,940,820
		2,391,351	**3,951,815**
LIABILITIES			
Current liabilities			
Amounts due to an immediate holding company	10	673,628	-
Trade payables		292,103	16,202
Accruals and provisions		15,616	22,104
		981,347	**38,306**
Net current assets		1,410,004	3,913,509
Net assets		**7,447,107**	**10,565,540**
EQUITY			
Share capital	11	17,428,848	16,178,848
Accumulated losses		(9,981,741)	(5,613,308)
Total equity		**7,447,107**	**10,565,540**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2013

(US$)

	Share capital	Accumulated losses	Total equity
	(Note 11)		
At 1 April 2011	10,148,213	(1,560,149)	8,588,064
Issuance of ordinary shares	6,030,635	-	6,030,635
Total comprehensive income for the year	-	(4,053,159)	(4,053,159)
At 31 March 2012	16,178,848	(5,613,308)	10,565,540
Issuance of ordinary shares	1,250,000	-	1,250,000
Total comprehensive income for the year	-	(4,368,433)	(4,368,433)
At 31 March 2013	**17,428,848**	**(9,981,741)**	**7,447,107**

CASH FLOW STATEMENT

for the financial year ended 31 March 2013

(US$)

	Note	2013	2012
Cash flows from operating activities			
Loss before tax		(5,275,807)	(4,860,875)
Adjustments for:			
Interest income		(77,057)	(11 ,499)
Depreciation	7	**1,522,302**	**1,462,302**
Operating cash flows before working capital changes		(3,830,562)	(3,410,072)
Increase in trade receivables		(63,664)	(200,235)
Decrease/(increase) in amounts due from an immediate holding company		1,730,518	(1,730,518)
Decrease/(increase) in prepayments and other receivables		713	(1,330)
Decrease in unearned income		-	(486,818)
Increase/(decrease) in amounts due to an immediate holding company		673,628	(2,121,959)
Increase/(decrease) in trade payables		275,901	(31,244)
(Decrease)/increase in accruals and provisions		(6,488)	4,680
Cash flows used in operating activities		**(1,219,954)**	**(7,977,496)**
Interest received		24,155	999
Net cash flows used in operating activities		**(1,195,799)**	**(7,976,497)**
Cash flows used in investing activity			
Purchase of plant and equipment	7	-	(600,000)
Net cash flows used in investing activity		**-**	(600,000)
Cash flows from financing activity			
Proceeds from issuance of ordinary shares	11	1,250,000	6,030,635
Net cash flows generated from financing activity		**1,250,000**	**6,030,635**
Net increase/(decrease) in cash and cash equivalents		54,201	(2,545,862)
Cash and cash equivalents at beginning of year		940,820	3,486,682
Cash and cash equivalents at end of year	9	**995,021**	**940,820**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31st March, 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. CORPORATE INFORMATION

Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. (the "Company") is a private limited company incorporated in Singapore whose registered office is at 1 Temasek Avenue #23-02 Millenia Tower, Singapore 039192. Its immediate holding company is Singapore Mercantile Exchange Pte. Ltd., which is incorporated in Singapore. The ultimate holding company is Financial Technologies (India) Limited, a company incorporated in Mumbai, India.

The principal activities of the Company are to establish, operate, regulate, maintain and manage a clearing house for the immediate holding company. The Company has been designated as a Designated Clearing House by the Monetary Authority of Singapore with effect from 31 August 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in United States dollars ("USD" or "US$"), which is also the functional currency of the Company.

The Company incurred net losses of US$4.4m (2012: US$4.1 m), and net cash flows used in operating activities amounted to US$1.2m (2012: US$8m) for the financial year ended 31 March 2013. The ultimate holding company has undertaken to provide the Company financial support for a period of 1 year from the balance sheet date, and for any reason if the Company fails to meet its day to day obligations, it will provide financial support to enable the Company to continue its day to day operations. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 April 2012. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 19 Employee Benefits	1 January 2013
FRS 113 Fair Value Measurement	1 January 2013
Amendments to FRS 107 Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Improvements to FRSs 2012	1 January 2013
- Amendments to FRS 1 Presentation of Financial Statements	1 January 2013
- Amendments to FRS 16 Property, Plant and Equipment	1 January 2013
- Amendments to FRS 32 Financial Instruments: Presentation	1 January 2013
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

Except for the Amendments to FRS 1, the directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the Amendments to FRS 1 is described below:

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income ("OCI") is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Company does not expect any impact on its financial position or performance upon adoption of this standard.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31st March, 2013

2.4 Foreign currencies

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets. Depreciation of an asset begins when it is available-for-use and is computed on a straight-line over the estimated useful lives of the assets as follows:

Software - 3 to 5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

An item of plant and equipment is de-recognised upon disposal or when no future economic benefit are expected from its use or disposal. Any gains or losses arising on de-recognition of the asset is included in profit or loss in the financial year the asset is de-recognised.

2.6 Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and Is written-down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to Its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.7 Financial assets

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the differences between the carrying amount and the sum of the consideration received and any cumulative gains or losses that have been recognised directly in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31st March, 2013

impairment. Gains or losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired and through the amortisation process.

2.8 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying values of the financial assets.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the Impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed Its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.10 Financial liabilities

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of other financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities not at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. The Company has not designated any financial liabilities at fair value through profit or loss.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability and the differences in the respective carrying amount are recognised in profit or loss.

2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) where as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

2.12 Unearned income

Unearned income is membership fee billed to prospective members before they are recognised as revenue earned.

2.13 Revenue

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 regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company has concluded that it is acting as a prinCipal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31st March, 2013

Membership fee

Membership fee is recognised upon commencement of processing membership application only if there is no uncertainty over its collectability.

Trading and clearing fee

Trading and clearing fee is recognised, net of rebates, when services are rendered.

Interest income

Interest income is recognised using the effective interest method.

2.14 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in Singapore where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except :

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except :

- Where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31st March, 2013

2.15 Related parties

A related party is defined as follows :

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies :

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.16 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.17 Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements made in applying accounting policies

In the process of applying the Company's accounting policies, management has made the following judgement, which has an impact on the amounts recognised in the financial statements.

Taxation

The Company has exposure to local income tax jurisdiction. Some judgement is involved in determining the provision for taxation. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the provision for taxation in the financial year in which such determination is made. The carrying amount of the provision for taxation at the end of the reporting period was US$Nil (2012: US$Nil) for the Company.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the tax losses can be utilised. Significant management judgement is required to determine the amounts of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying values of recognised tax losses at 31 March 2013 was approximately US$9,285,000 (2012: US$5,489,000) for the Company and there was no unrecognised tax losses and capital allowances at 31 March 2013 and 31 March 2012. The unrecognised temporary differences at 31 March 2013 was approximately US$3,822,000 (2012: US$2,280,000) for the Company.

(US$)

3. REVENUE	2013	2012
Trading and clearing fees	106,294	185,130
Membership fees	-	484,096
	106,294	**669,226**

4. INTEREST INCOME

Interest income is earned from placement of fixed deposits, short-term deposits and cash at banks.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31st March, 2013

(US$)

5. OTHER OPERATING EXPENSES	2013	2012
Foreign exchange loss	9,866	67,070
Others	131	6,040
	9,997	**73,110**

	2013	2012
6. INCOME TAX CREDIT		
Deferred tax (Note 8)	907,374	807,334
Write-back of overprovision in respect of prior years	-	382
	907,374	**807,716**
The reconciliation between income tax credit and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2013 and 2012 is as follows :		
Loss before tax	**(5,275,807)**	**(4,860,875)**
Tax at the domestic rate of 17% (2012: 17%)	(896,887)	(826,349)
Adjustments :		
Income not subject to taxation	(13,100)	-
Non-deductible expenses	1,736	19,015
Write-back of overprovision in respect of prior years	-	(382)
Others	877	-
Income tax credit	**(907,374)**	**(807,716)**

7. PLANT AND EQUIPMENT	Software US$
Balance at 1 April 2011	7,011,509
Additions	600,000
Balance at 31 March 2012 and at 1 April 2012	**7,611,509**
Additions	-
Balance at 31 March 2013	**7,611,509**
Accumulated depreciation	
Balance at 1 April 2011	818,009
Charge for the year	1,462,302
Balance at 31 March 2012 and at 1 April 2012	2,280,311
Charge for the year	1,522,302
Balance at 31 March 2013	**3,802,613**
Net book value	
At 31 March 2012	5,331,198
At 31 March 2013	**3,808,896**

(US$)

8. DEFERRED TAX ASSETS	Balance sheet		Statement of comprehensive income	
	2013	2012	2013	2012
Differences in depreciation	649,674	387,653	262,021	248,591
Unutilised tax losses	1,578,533	933,180	645,353	558,743
	2,228,207	**1,320,833**	**907,374**	**807,334**

Deferred tax assets are recognised for all unused tax losses and unrecognised temporary differences to the extent that it is probable that taxable profit wi" be available against which the tax losses can be utilised. The carrying values of recognised tax losses at 31 March 2013 was approximately US$9,285,000 (2012: US$5,489,000) for the Company and there was no unrecognised tax losses and capital allowances at 31 March 2013 and 31 March 2012. The unrecognised temporary differences at 31 March 2013 was approximately US$3,822,000 (2012: US$2,280,000) for the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31st March, 2013

(US$)

9. CASH AND CASH EQUIVALENTS	2013	2012
For the purposes of the cash flow statement, the cash and cash equivalents comprised the following:		
Cash and bank balances	1,995,021	1,940,820
Less: Cash set aside for Settlement Guarantee Fund (Note 15)	(1,000,000)	(1,000,000)
Cash and cash equivalents per cash flow statement	**995,021**	**940,820**
Cash and bank balances denominated in foreign currencies at 31 March 2013 are as follows:		
Singapore dollars	162,545	68,730
Euro	192,083	199,951
Japanese yen	2,653	3,017

10. AMOUNTS DUE FROM/(TO) AN IMMEDIATE HOLDING COMPANY

The amounts are non-trade in nature, unsecured, interest-free and repayable on demand.

(US$)

11. SHARE CAPITAL	2013		2012	
	No. of shares	US$	No. of shares	US$
Issued and fully paid:				
At 1 April	225,000,000	16,178,848	150,000,000	10,148,213
Issuance of ordinary shares	15,382,250	1,250,000	75,000,000	6,030,635
At 31 March	**240,382,250**	**17,428,848**	**225,000,000**	**16,178,848**

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

12. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

(US$)

	2013	2012
Acquisition of software from an ultimate holding company	-	600,000
Information technology operating costs to ultimate holding company	1,324,157	1,098,780
Management fee to an immediate holding company	2,487,388	2,788,193

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has limited exposure to financial risks arising from its operations and the use of financial instruments. The financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management of the Company.

The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks :

a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from balances with banks. The Company minimises credit risk by dealing exclusively with high credit rating and reputable financial institutions.

As at 31 March 2013, the Company has significant concentration of credit risk with 3 (2012: 3) financial institutions and there is no financial asset that is either past due or impaired.

The maximum exposure to credit risk is the carrying amount of the financial assets presented on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31st March, 2013

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company monitors and maintains a level of cash deemed sufficient to finance its operations and mitigate the effects of fluctuations in cash flow.

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

(US$)

	On demand	12 months or less	Total
2013			
Amounts due to an immediate holding company	673,628	-	673,628
Trade payables	292,103	-	292,103
Accruals	-	1,311	1,311
2012			
Trade payables	16,202	-	16,202

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from its interest bearing short-term deposits and cash at banks which are at floating rates and contractually re-priced on a monthly basis.

At the end of the reporting period, any reasonable fluctuation in the interest rates will not have a significant impact to the financial statements of the Company.

d) Foreign currency risk

The Company has transactional currency exposures arising from operating costs that are denominated in a currency other than USD, the functional currency of the Company. The foreign currencies in which these transactions are denominated are mainly SGD. The Company's receivable and payable balances at the end of the reporting period have similar exposures.

The Company also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currencies balances amount to US$0.36 million (2012: US$0.27 million).

At the end of the reporting period, a reasonable 10% appreciation/(depreciation) of the SGD against the USD, with all other variables held constant, will result in an increase/(decrease) in net profit of US$0.036 million (2012: US$0.027 million) for the Company and an increase/(decrease) in net assets of the same amount.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of financial assets and liabilities approximate their fair value due to the relatively short-term maturity of these financial instruments.

Trade receivables, amounts due from an immediate holding company, other receivables and cash and cash equivalents at the end of the reporting period are classified as loans and receivables under FRS 39. Unearned income, amounts due to an immediate holding company and trade payables are not at fair value through profit or loss.

15. SETTLEMENT GUARANTEE FUND

The Settlement Guarantee Fund is established under the clearing rules of the Company, a Designated Clearing House. The Settlement Guarantee Fund shall be used by the Company upon the occurrence of a Declared Default to ensure daily or final settlement as a result of the failure of one or more Clearing Members to discharge the Clearing Members' obligations and liabilities in accordance with these Rules.

The Settlement Guarantee Fund is made up of :

(i) Security deposit placements from Clearing Members to the Company;

(ii) Insurance cover taken up by the Company for meeting eventualities arising out of failure of one or more Clearing Members to discharge their obligations and liabilities;

(iii) Clearing capital contributed by Clearing Corporation; and

(iv) Other amounts as decided by the Company at its discretion.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31st March, 2013

a) Contribution from Company

(US$)

	2013	2012
Clearing capital (Note 9)	1,000,000	1,000,000

Clearing capital contributions are denominated in USD and/or EUR that are placed in interest bearing accounts with banks. The total contribution was made in the previous financial year, when the Company commenced its clearing activities.

b) Contribution from Clearing Members

Contributions from Clearing Members in the form of security deposits are not recorded in the balance sheet of the Company as these monies are held in trust by the Company:

(US$)

	2013	2012
Security deposits (Cash, held in trust)	3,000,000	3,000,000

c) Settlement of obligations in declared default

Without prejudice to the rights of the Company (provided in the Clearing Rules), upon Declared Default of a Clearing Member, the Company shall be entitled to apply the following assets in the order stipulated, in whole to satisfy its obligations:

i) Any monies, securities or collateral held in any account of or in respect of the Defaulter Clearing Member (including the proceeds of the Security Deposits of the Defaulter Clearing Member except where such monies, securities or collateral relate to any Customer Position);

ii) Relevant excess (as defined in the insurance policy) from the Clearing Capital contributed by the Company;

iii) The proceeds of any insurance designated for the purposes of these Rules, provided that in the case of any relevant policy the maximum total liability and maximum per default liability as defined in the insurance policy;

iv) 25% of the residual default amount (if any) from Clearing Capital;

v) The balance 75% of the residual default amount (if any) from the Security Deposits of the non-defaulting Clearing Members;

vi) The balance (if any) from the Clearing Capital contributed by the Company; and

vii) Any other monies or other assets available to the Company.

(US$)

16. Additional security deposits from Clearing Members	2013	2012
Additional security deposits (Cash, held in trust)	4,890,995	3,068,158

17. Capital management

The Company maintains an actively managed capital base to cover risks inherent in the business. The primary objectives of the Company's capital management are to ensure that it complies with regulatory requirements and that the Company maintains healthy capital ratios in order to support its business.

The Company is required to comply with industry-specific capital requirements in the industry they operate in. The following table sets forth details of the capital requirements imposed by the Monetary Authority of Singapore ("MAS") :

(US$)

	2013	2012
Financial resources	5,219,000	9,245,000
Less: Total risk requirement	(1,969,000)	(2,771,000)
Aggregate resources	3,250,000	6,474,000
Financial resources/ total risk requirement ratio	265%	334%

Additionally, the Company is required to meet the Base Capital Requirements imposed by MAS. The Company has been in compliance with the requirement since the effective date imposed by MAS.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31st March, 2013

18. EVENT OCCURRING AFTER THE REPORTING PERIOD

On 10 April 2013, the immediate holding company made a capital injection of US$1 million into the Company.

19. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the financial year ended 31 March 2013 were authorised for issue in accordance with a resolution of the directors on 20 May 2013.

DIRECTORS' REPORT

for the year ended 31st March, 2013

1. REVIEW OF ACTIVITIES

Main business and operations

The company is engaged in licensing of the core software ip - electronics warehouse receipt system, services and associated consultancy activities and operates principally in South Africa].

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

2. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any matter or circumstance arising since the end of the financial year that has a material impact on the annual financial statements.

3. AUTHORISED AND ISSUED SHARE CAPITAL

There were no changes in the authorised or issued share capital of the company during the year under review.

4. DIRECTORS

The directors of the company during the year and to the date of this report are as follows:

Name : Troydon.P.D.C.Miranda
Christopher Goromonzi

5. SECRETARY

The secretary of the company is Wide Range Consultants (Proprietary) Limited of:

Business address : Ground Floor, Gleneagles, Fairway Office Park, 52 Grosvenor Road, Bryanston 2021.

Postal address : P O Box 130674, Bryanston, 2021.

6. AUDITORS

Colin Smith & Co will continue in office in accordance with section 90 of the Companies Act 71 of 2008.

Christopher Goromonzi	**Troydon.P.D.C.Miranda**
Director	Director

Place: South Africa
Date: 17 May 2013

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It Is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the international Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared In accordance with the International Financial Reporting Standard for small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable Importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss In a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing. managing and monitoring all known forms Of risk across the company. While operating risk cannot be fully eliminated. the company endeavours to minimise it by ensuring that appropriate infrastructure. controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements, However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 Match 2014, and in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor are responsible for independently reviewing and reporting on the company’s annual financial statements. The annual financial statements have been examined by the company's external auditors and their raport presented on page 4.

The annual financial statements set out on pages 5 to 16, which have been prepared on the going concern basis, where approved by the board 17th May 2013 and were signed on its behalf by:

Christopher Goromonzi	**Troydon.P.D.C.Miranda**
Director	Director

Place: South Africa

Date: 17 May 2013

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ICX PLATFORM (PROPRIETARY) LIMITED

We have audited the annual financial statements of ICX Platform (Proprietary) Limited, as set out on pages 6 to 14, which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Companies Act 71 of 2008, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of ICX Platform (Proprietary) Limited as at 31 March 2013, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act 71 of 2008.

Colin Smith & Co
Registered Auditors

Date: 17 May 2013

STATEMENT OF FINANCIAL POSITION
as at 31 March 2013

(Figures in Rand)

Particulars	Note No.	2013	2012
Assets			
Non-Current Assets			
Property, plant and equipment	2	3	3
Other financial assets	3	716 721	701 721
		716 724	**701 724**
Current Assets			
Trade and other receivables	4	905 126	128 992
Cash and cash equivalents	5	5 120	52 963
		910 246	**181 955**
Total Assets		**1 626 970**	**883 679**
Equity and Liabilities			
Equity		100	100
Share capital	6	(2 219 536)	(3 747 712)
Accumulated loss		**(2 219 436)**	**(3 747 612)**
Liabilities			
Non-Current Liabilities			
Other financial liabilities	7	2 322 143	3 729 576
Current Liabilities			
Trade and other payables	8	1 524 263	901 715
Total Liabilities		**3 846 406**	**4 631 291**
Total Equity and Liabilities		**1 626 970**	**883 679**

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2013

(Figures in Rand)

Particulars	Note No.	2013	2012
Revenue	9	1 411 491	998 179
Other income		1 469 026	-
Operating expenses		(1 291 042)	(1 954 047)
Operating profit (loss)		**1 589 475**	**(955 868)**
Investment revenue	10	294	1 027
Finance costs		(61 593)	(115 056)
Profit (loss) for the year		**1 528 176**	**(1 069 897)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**1 528 176**	**(1 069 897)**

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2013

(Figures in Rand)

Particulars	Share capital	Accumulated loss	Total equity
Balance at 01 April 2011	100	(2 677 815)	(2 677 715)
Loss for the year	-	(1 069 897)	(1 069 897)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(1 069 897)	(1 069 897)
Balance at 01 April 2012	100	(3 747 712)	(3 747 612)
Profit for the year	-	1 528 176	1 528 176
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1 528 176	1 528 176
Balance at 31 March 2013	100	(2 219 536)	(2 219 436)
Note	6		

CASH FLOW STATEMENT

for the year ended 31st March, 2013

(Figures in Rand)

Particulars	Note No.	2013	2012
Cash flows from operating activities			
Cash generated from (used in) operations	12	1 435 889	(565 559)
Interest income		294	1 027
Finance costs		(61 593)	(115 056)
Net cash from operating activities		**1 374 590**	**(679 588)**
Cash flows from investing activities			
Sale of financial assets		(15 000)	-
Net cash from investing activities		**(15 000)**	-
Cash flows from financing activities			
Repayment of other financial liabilities		(1 407 433)	53 846
Net cash from financing activities		**(1 407 433)**	**53 846**
Total cash movement for the year		**(47 843)**	**(625 742)**
Cash at the beginning of the year		52 963	678 705
Total cash at end of the year	5	**5 120**	**52 963**

ACCOUNTING POLICIES

financial statements for the year ended 31st March, 2013

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment, which is as follows:

Item	Average useful life
Furniture and fixtures	3 years
Office equipment	3 years
IT equipment	3 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income (i.e. continuing operations, discontinued operations, or other comprehensive income) or equity as the transaction or other event that resulted in the tax expense.

1.3 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

ACCOUNTING POLICIES

financial statements for the year ended 31st March, 2013

(Figures in Rand)

2. Property, plant and equipment	2013			2012		
	COST	ACCUMULATED DEPRECIATION & IMPAIRMENTS	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION & IMPAIRMENTS	CARRYING VALUE
Furniture and fixtures	7 567	(7 566)	1	7 567	(7 566)	1
Office equipment	30 582	(30 581)	1	30 582	(30 581)	1
IT equipment	219 696	(219 695)	1	219 696	(219 695)	1
Total	**257 845**	**(257 842)**	**3**	**257 845**	**(257 842)**	**3**

(Figures in Rand)

	Opening Balance	Total
Reconciliation of property, plant and equipment-2013		
Furniture and fixtures	1	1
Office equipment	1	1
IT equipment	1	1
Reconciliation of property, plant and equipment-2012		
Furniture and fixtures	1	1
Office equipment	1	1
IT equipment	1	1

(Figures in Rand)

3. Other financial assets	2013	2012
Equity Instruments at cost		
Silo Certs (Proprietary) Limited	701 721	701 721
150 shares at cost.		
At amortised cost		
Bourse Africa Limited	15 000	-
Total other financial assets	**716 721**	**701 721**
Non-current assets		
Equity Instruments at cost	701 721	701 721
At amortised cost	15 000	-
	716 721	**701 721**
4. Trade and other receivables		
Trade receivables	812 166	109 500
VAT	26 278	6 977
Other receivables	66 682	12 515
	905 126	**128 992**
5. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	181	-
Bank balances	4 939	52 963
	5 120	**52 963**
6. Share capital		
Authorised		
1000 Ordinary shares	1 000	1 000
900 unisued shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.		
Issued		
100 Ordinary Shares	100	100

ACCOUNTING POLICIES

financial statements for the year ended 31st March, 2013

(Figures in Rand)

7. Other financial liabilities		2013	2012
At amortised cost			
Financial Technologies (India) Limited		2 322 143	2 260 550
The loan is unsecured, bears interest at 2.8% per annum with no fixed terms of repayment.			
KG Potter		-	1 469 026
The loan is unsecured, interest free with no fixed terms of repayment. The loan was subordinated in favour of all other creditors and other shareholder's claims and was only repayable once certain conditions in the settlement agreement have been met.			
		2 322 143	**3 729 576**
Non-current liabilities			
At amortised cost		2 322 143	3 729 576
8. Trade and other payables			
Trade payables		24 067	257 705
Other payables		1 442 967	621 562
Salary accruals		57 229	22 448
		1 524 263	**901 715**
9. Revenue			
Services Rendered		1 411 491	998 179
10. Investment revenue			
Interest revenue			
Bank		294	1 027
11. Taxation			
No provision has been made for 2013 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is σ1 981 970 (2012: σ3 510 147).			
12. Cash generated from (used in) operations			
Profit (loss) before taxation		1 528 176	(1 069 897)
Adjustments for:			
Depreciation		-	1 732
Interest received		(294)	(1 027)
Finance costs		61 593	115 056
Changes in working capital:			
Trade and other receivables		(776 134)	(15 472)
Trade and other payables		622 548	404 049
		1 435 889	**(565 559)**
13. Related parties			
Relationships			
Holding company	Financial Technologies (India) Limited		
Entity with common shareholding	Bourse Africa Limited		
Entity in which the company is a shareholder	Silo Certs (Proprietary) Limited		
Related party balances and transactions with other related parties			
Related party balances			
Loan accounts - Owing (to) by related parties			
Financial Technologies (India) Limited		2 322 143	2 206 704
Amounts included in Trade receivable (Trade Payable) regarding related parties			
Bourse Africa Limited		(897 421)	(241 228)

DETAILED INCOME STATEMENT

financial statements for the year ended 31st March, 2013

(Figures in Rand)

Particulars	2013	2012
Revenue		
Services rendered	1 411 491	998 179
Other income		
Interest received	294	1 027
Other income	1 469 026	-
	1 469 320	**1 027**
Expenses (Refer to page 16)	**(1 291 042)**	**(1 954 047)**
Operating profit (loss)	**1 589 769**	**(954 841)**
Finance costs	(61 593)	(115 056)
Profit (loss) for the year	**1 528 176**	**(1 069 897)**
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	**1 528 176**	**(1 069 897)**

DETAILED INCOME STATEMENT

financial statements for the year ended 31st March, 2013

(Figures in Rand)

Particulars	2013	2012
Operating expenses		
Accounting fees	33 850	34 200
Advertising	2 885	-
Auditors' remuneration	12 281	17 000
Bank charges	5 414	5 043
Computer expenses	85 141	27 402
Consulting and professional fees	812 906	687 521
Depreciation	-	1 732
Employee costs	272 980	529 266
Entertainment	589	7 428
General Expense	135	-
Immigration visa and Permit fees	3 431	-
Lease rentals on operating lease	54 800	127 836
Legal expenses	-	381 392
Medical expenses	-	2 255
Motor vehicle expenses	995	2 080
Printing and stationery	272	1 339
Repairs and maintenance	723	1 630
Security	-	544
Staff recruitment	-	78 366
Travel - local	4 640	9 813
Travel - overseas	-	39 200
	1 291 042	**1 954 047**

INDEPENDENT AUDITOR'S REPORT

We have audited the annesed financial summary of Financial Technologies Project Private Limited "the Company", for the year ended 31 March 2013.

In our opinion the annexed financial summary gives a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its loss for the year then ended and has been properly prepared in accordance with the Mauritius Companies Act 2001 and International Financial Reporting Standards, as appropriate.

Grant Thornton
Chartered Accountants

Y NUBEE FCCA
Licensed by FRC

Date: 27 May 2013
Place: Ebene, Republic of Mauritius

STATEMENT OF FINANCIAL POSITION

at 31 March 2013

(in MUR ₹)

Particulars	2013	2012
Current Assets		
Cash at bank	3,555	3,555
Total assets	**3,555**	**3,555**
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	5,000	5,000
Accumulated losses	(82,587)	(57,087)
Total Equity	**(77,587)**	**(52,087)**
Current liabilities		
Payables	81,142	55,642
Total equity and liabilities	**3,555**	**3,555**

STATEMENT OF COMPREHENSIVE INCOME

for the Year Ended 31 March 2013

(in MUR ₹)

Particulars	2013	2012
Income	-	-
Expenditure		
Management and administrative expenses	25,500	25,000
Finance costs	-	1,445
Loss for the year	**(25,500)**	**(26,445)**

Approved by the Board of Directors on 27 May 2013

Shreekant Javalgekar
Director

Patrick Sattoovera
Director

Commentary of the directors

The directors have the pleasure in submitting their report together with the audited consolidated financial statements of FT Group Investments Pvt. Ltd, the "Company", for the year ended 31 March 2013. The Company and its subsidiaries are collectively referred to as the "Group".

Principal activities

The principal activities of the Group are:

(i) to establish/acquire/hold investments globally in automated electronic market places and/or software companies and/or knowledge-based companies;

(ii) to operate spot and/or derivative Multi-Assets Class Exchanges; and

(iii) to own and operate exchange markets and clearing and settlement corporations.

Results and dividends

The results for the year are shown on page 444 are in Consolidated Statement of comprehensive income for the year ended 31 March 2013..

The Directors do note recommended the payment of any dividend for the year under review (2012:Nil).

Directors

The present membership of the Board is set out on page 2.

Directors' responsibilities in respect of the consolidated financial statements

Company law requires the directors to prepare consolidated financial statements for each financial year which present fairly the financial position, financial performance and the cash flows of the Group and the Company. The directors are also responsible for keeping accounting records which:

- correctly record and explain the transactions of the Group and the Company;
- disclose with reasonable accuracy at any time the financial position of the Group and the Company; and
- would enable them to ensure that the consolidated financial statements comply with the Mauritius Companies Act 2001.

The directors confirm that they have complied with the above requirements in preparing the consolidated financial statements.

Auditors

The auditors, Grant Thornton, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

Certificate from the Secretary to the member of FT Group Investments Pvt. Ltd

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of FT Group Investments Pvt. Ltd under the Mauritius Companies Act 2001, during the financial year ended 31 March 2013.

for Kross Border Corporate Services Limited

Secretary

Registered office:

St Louis Business Centre

Cnr Desroches/St Louis Streets

Port Louis

Republic of Mauritius

Place : Ebene, Republic of Mauritius

Date : 28 May 2013

INDEPENDENT AUDITORS' REPORT

To the member of FT Group Investments Pvt. Ltd

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of FT Group Investments Pvt. Ltd, the "Company" and its subsidiaries, together referred to as the "Group", which comprise the consolidated statement of financial position as at 31 March 2013, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements on pages 7 to 43 give a true and fair view of the financial position of the Group and the Company as at 31 March 2013, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Emphasis of matter

In forming our opinion, we draw attention to Note 21 to the consolidated financial statements regarding the basis of preparation of these consolidated financial statements.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company and its subsidiaries other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matters

This report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

Y NUBEE, FCCA
Licensed by FRC

Place : Ebene, Republic of Mauritius
Date : 28 May 2013

CONSOLIDATED STATEMENT
of financial position as at 31 March

(in USD)

		THE GROUP		THE COMPANY	
	Notes	2013	2012	2013	2012
Assets					
Non-current					
Goodwill	6	29,350,078	29,495,310	-	-
Intangible assets	7	35,901,783	49,018,643	-	-
Property, plant and equipment	8	2,322,942	3,086,905	-	-
Investment in subsidiaries	9	-	-	142,566,177	142,566,177
Available-for-sale investments	10	13,377,805	13,377,805	8,389,575	8,389,575
Deferred tax assets	17	7,715,976	4,041,895	-	-
Non-current assets		**88,668,584**	99,020,558	**150,955,752**	150,955,752
Current					
Trade and other receivables	11	36,867,346	33,745,780	30,918,306	13,943,816
Cash and cash equivalents	12	11,988,596	20,295,053	816,195	5,259,898
Current assets		**48,855,942**	54,040,833	**31,734,501**	19,203,714
Total assets		**137,524,526**	153,061,391	**182,690,253**	170,159,466
Equity and liabilities					
Equity					
Stated capital	13	15,060,002	15,060,002	15,060,002	15,060,002
Accumulated losses		(69,768,917)	(25,602,261)	(16,595,759)	(5,005,663)
Translation reserves		(804,622)	40,616	-	-
		(55,513,537)	(10,501,643)	**(1,535,757)**	10,054,339
Non-controlling interests		4,869	5,718	-	-
Total equity		**(55,508,668)**	(10,495,925)	**(1,535,757)**	10,054,339
Liabilities					
Non-current					
Borrowings	14	179,000,000	115,000,000	179,000,000	115,000,000
Provision for employees benefits		176,477	108,824	-	-
Non-current liabilities		**179,176,477**	115,108,824	**179,000,000**	115,000,000
Current					
Borrowings	14	-	45,000,000	-	45,000,000
Payables	15	13,829,792	3,432,321	5,226,010	105,099
Tax liability	17	-	28	-	28
Deferred income	16	26,925	16,143	-	-
Current liabilities		**13,856,717**	48,448,492	**5,226,010**	45,105,127
Total liabilities		**193,033,194**	163,557,316	**184,226,010**	160,105,127
Total equity and liabilities		**137,524,526**	153,061,391	**182,690,253**	170,159,466

Approved by the Board on 28 May 2013 and signed on its behalf by:

Sushil Kumar Jogoo **Shreekant Javalgekar**

Director Director

The note nos. 1 to 22 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT

of comprehensive income for the year ended 31 March

(in USD)

		THE GROUP		THE COMPANY	
	Notes	2013	2012	2013	2012
Income					
Interest income		102,001	894,665	1,136,048	1,088,615
Other income		717,598	254,382	-	-
		819,599	1,149,047	**1,136,048**	1,088,615
Expenditure					
Salaries and other benefits		5,476,141	2,901,618	-	-
Legal and professional fees		634,702	506,107	31,801	24,594
Processing fees		1,649,455	1,574,464	1,649,455	1,574,464
Interest expense		8,493,339	4,250,149	8,494,617	4,248,203
Bank commissions and charges		27,690	15,145	2,494	3,632
Travelling expenses		197,854	228,117	-	-
Rental fees		1,102,965	805,756	-	-
Other expenses		2,162,531	8,498	-	-
IT expenses		9,788,291	-	-	-
Audit fees		22,932	24,723	16,000	13,100
Depreciation and amortisation	7&8	13,556,329	5,992,916	-	-
Licence fees		34,785	59,989	-	-
Net exchange differences		80,291	11,690	-	-
General administration costs		1,988,433	1,068,316	-	-
Commissions		2,530,000	-	2,530,000	-
Incorporation fees		8,848	-	-	-
Loss on disposal		23,389	-	-	-
Business development cost		488,343	-	-	-
Software development cost		59,514	-	-	-
Bad debts		11,526	-	-	-
Tax written off for prior year		1,777	-	1,777	-
Direct costs		322,050	-	-	-
		48,661,185	17,447,488	**12,726,144**	5,863,993
Loss before tax		**(47,841,586)**	(16,298,441)	(11,590,096)	(4,775,378)
Tax credit	17	3,674,081	-	-	-
Loss for the year		**(44,167,505)**	(16,298,441)	**(11,590,096)**	(4,775,378)
Other comprehensive income for the year, net of tax:					
Exchange differences on translation of foreign operations		**(845,238)**	40,616	**-**	-
Total comprehensive income for the year		**(45,012,743)**	(16,257,825)	**(11,590,096)**	(4,775,378)
Attributable to:					
Owner of the parent		(45,011,894)	(14,413,371)	-	-
Non-controlling interests		(849)	(1,844,454)	-	-
		(45,012,743)	**(16,257,825)**	-	-

The note nos. 1 to 22 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT

of changes in equity for the year ended 31 March

(in USD)

THE GROUP	Stated capital	Accumulated losses	Translation reserves	Total attributable to owner of parent	Non-controlling interests	Total
At 01 April 2012	**15,060,002**	**(25,602,261)**	**40,616**	**(10,501,643)**	**5,718**	**(10,495,925)**
Transactions with the shareholder	-	-	-	-	-	-
Loss for the year	-	(44,166,656)	-	(44,166,656)	(849)	(44,167,505)
Other comprehensive income for the year:						
Exchange differences on translation of foreign operations	-	-	(845,238)	(845,238)	-	(845,238)
Total comprehensive income for the year	-	(44,166,656)	(845,238)	(45,011,894)	(849)	(45,012,743)
At 31 March 2013	**15,060,002**	**(69,768,917)**	**(804,622)**	**(55,513,537)**	**4,869**	**(55,508,668)**
THE GROUP (contd)						
At 01 April 2011	**50,060,002**	**(5,960,786)**	**-**	**44,099,216**	**3,158,484**	**47,257,700**
Redemption of preference shares	(35,000,000)	-	-	(35,000,000)	-	(35,000,000)
Capital from non-controlling interests	-	-	-	-	(6,495,800)	(6,495,800)
Transfer from non-controlling interests on additional investments in subsidiaries	-	(5,187,488)	-	(5,187,488)	5,187,488	-
Transactions with the shareholder	(35,000,000)	(5,187,488)	-	(40,187,488)	(1,308,312)	(41,495,800)
Loss for the year	-	(14,453,987)	-	(14,453,987)	(1,844,454)	(16,298,441)
Other comprehensive income for the year:						
Exchange differences on translation of foreign operations	-	-	40,616	40,616	-	40,616
Total comprehensive income for the year	-	(14,453,987)	40,616	(14,413,371)	(1,844,454)	(16,257,825)
At 31 March 2012	**15,060,002**	**(25,602,261)**	**40,616**	**(10,501,643)**	**5,718**	**(10,495,925)**

The note nos. 1 to 22 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT

of changes in equity for the year ended 31 March

(in USD)

The Company	Stated capital	Accumulated losses	Total
At 01 April 2012	**15,060,002**	**(5,005,663)**	**10,054,339**
Transactions with the shareholder	-	-	-
Loss for the year	-	(11,590,096)	(11,590,096)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(11,590,096)	(11,590,096)
At 31 March 2013	**15,060,002**	**(16,595,759)**	**(1,535,757)**
At 01 April 2011	**50,060,002**	**(230,285)**	**49,829,717**
Redemption of preference shares	(35,000,000)	-	(35,000,000)
Transactions with the shareholder	(35,000,000)	-	(35,000,000)
Loss for the year	-	(4,775,378)	(4,775,378)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(4,775,378)	(4,775,378)
At 31 March 2012	**15,060,002**	**(5,005,663)**	**10,054,339**

The note nos. 1 to 22 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT
of cash flows for the year ended 31 March

(in USD)

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
Operating activities				
Loss before tax	(47,841,586)	(16,298,441)	(11,590,096)	(4,775,378)
Adjustments for:				
Depreciation and amortisation	13,556,329	5,992,916	-	-
Loss on disposal of property, plant and equipment	23,389	-	-	-
Tax liability written back	(28)	-	(28)	-
Interest income	(102,001)	(894,665)	(1,136,048)	(1,088,615)
Interest expense	8,493,339	4,250,149	8,494,617	4,248,203
Total adjustments	**21,971,028**	9,348,400	**7,358,541**	3,159,588
Changes in working capital:				
Change in trade and other receivables	1,133,434	55,249	1,485,510	536,714
Change in payables	10,397,472	552,033	5,120,911	(252,066)
Total changes in working capital	**11,530,906**	607,282	**6,606,421**	284,648
Net cash (used in)/from operating activities	**(14,339,652)**	(6,342,759)	**2,374,866**	(1,331,142)
Investing activities				
Acquisition of subsidiary, net of cash acquired (Note (b) below)	-	(57,284,414)	-	(111,538,877)
Loan repaid	-	(5,224,250)	-	-
Purchase of property, plant and equipment	(210,751)	(6,078,039)	-	-
Interest received	102,001	894,665	1,136,048	1,020,812
Loan advanced	(5,000)	(20,954,014)	(18,460,000)	(9,205,000)
Advance for purchase of software	(4,250,000)	-	-	-
Proceeds from disposal of property, plant and equipment	14,043	-	-	-
Loan recovered	-	-	-	4,272,896
Proceeds from redemption of preference shares	-	-	-	12,500,000
Net cash used in investing activities	**(4,349,707)**	(88,646,052)	**(17,323,952)**	(102,950,169)
Financing activities				
Interest paid	(6,711,547)	(4,393,345)	(8,494,617)	(4,180,401)
Payment on redemption of preference shares	-	(35,000,000)	-	(35,000,000)
Proceeds from borrowings	19,000,000	45,000,000	19,000,000	45,000,000
Net cash flow from financing activities	**12,288,453**	5,606,655	**10,505,383**	5,819,599
Net change in cash and cash equivalents	(6,400,906)	(89,382,156)	(4,443,703)	(98,461,712)
Currency translation differences	(1,905,551)	-	-	-
Cash and cash equivalents, beginning of year	20,295,053	109,677,209	5,259,898	103,721,610
Cash and cash equivalents, end of year	**11,988,596**	20,295,053	**816,195**	5,259,898
Cash and cash equivalents made up of:				
Bank balances	**11,988,596**	20,295,053	**816,195**	5,259,898

CONSOLIDATED STATEMENT

of cash flows for the year ended 31 March

(in USD)

	THE GROUP 2012
(a) Acquisition of subsidiaries	
Net assets acquired:	
Intangible assets	23,647,833
Plant and equipment	1,397,855
Available-for-sale investments	11,483,434
Deferred tax assets	4,041,895
Trade and receivables	2,176,353
Deferred income	(16,143)
Cash and cash equivalents	6,754,463
Loans	(5,223,411)
Payables	(1,531,920)
	42,730,359
(b) Net cash inflow on acquisition of subsidiaries:	
Purchase consideration settled in cash	
Cash and cash equivalents of subsidiaries	(64,038,877)
Net cash inflow on acquisition	6,754,463
	(57,284,414)

The note nos. 1 to 22 form an integral part of these consolidated financial statements.

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to the consolidated financial statements For the year ended 31 March 2013

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH THE IFRS

FT Group Investments Pvt. Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 28 March 2007 as a private company with liability limited by shares. The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company's registered office is St Louis Business Centre, Cnr Desroches/St Louis Streets, Port Louis, Republic of Mauritius.

The Company and its subsidiaries are collectively referred to as the "Group".

The principal activities of the Group are:

- to establish/acquire/hold investments globally in an automated electronic market places and/or software companies and/or knowledge-based companies;
- to operate spot and/or derivative Multi-Asset Class Exchanges; and
- to own and operate exchange markets and clearing and settlement corporations.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Standards (IFRS) as issued by International Accounting Standards Board (IASB).

2. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE BEEN ADOPTED EARLY BY THE GROUP

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

IFRS 13 Fair Value Measurement

IFRS 12 Disclosure of Interests in Other Entities

IFRS 11 Joint Arrangements

IFRS 10 Consolidated Financial Statements

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

IAS 28 Investments in Associates and Joint Ventures (Revised 2011)

IAS 27 Separate Financial Statements (Revised 2011)

IAS 19 Employee Benefits (Revised 2011)

IFRS 9 Financial Instruments

IAS 1 Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)

IFRS 1 Government Loans (Amendments to IFRS 1)

IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

3. SUMMARY OF ACCOUNTING POLICIES

3.1 Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Basis of consolidation

The Group financial statements consolidate those of the parent company and of its subsidiaries drawn up to 31 March 2013. Subsidiaries are all entities over which the Group has the power to control their financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 31 March.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses/gains on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of the subsidiaries' profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

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to the consolidated financial statements For the year ended 31 March 2013

3.3 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised in profit or loss immediately.

3.4 Investment in subsidiaries

Investment in subsidiaries are shown at cost less impairment in the separate financial statements. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

3.5 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See Note 3.3 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses, if any.

3.6 Foreign currency

Functional and presentation currency

The consolidated financial statements are presented in currency USD, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of the Group entities with a functional currency other than the USD are translated into USD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into USD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into USD at the closing rate. Income and expenses have been translated into USD at the average rate over the reporting rate.

Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

The average exchange rates for the year ended 31 March 2013 were as follows:

	USD
BHD/USD	2.62
AED/USD	0.27
MUR/USD	0.03

3.7 Revenue recognition

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the accrual basis unless collectibility is in doubt.

Trading commission fees are recognised on the date of transaction in the market.

Admission fees collected from prospective members prior to joining the exchange are recognised as advances from members. Advances against membership application are only recognised as income when the application has been approved.

Invoices for annual fees are raised on a half yearly basis and is recorded on an accrual basis.

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to the consolidated financial statements For the year ended 31 March 2013

3.8 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.9 Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the year of the borrowings using the effective interest method.

Borrowing costs are expensed in the period in which they are incurred.

3.10 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. Property, plant and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual values. The following useful lives are applied:

Furniture and fittings	-	3 - 10 years
Office equipment	-	3 - 10 years
Motor vehicles	-	4 - 10 years
Improvement to leasehold building	-	3 years

No depreciation is charged on items of property, plant and equipment which are not yet in use and also on items not yet received and for which payments have already been made.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of an asset, the difference between the carrying value of the asset and sale consideration taken to the statement of comprehensive income.

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each reporting date. Repairs and maintenance costs are expensed as incurred.

3.11 Intangible assets

Intangible assets comprise of computer software licences for the Trading, Matching and Clearing Mechanism of the Multi Asset Class Exchange (the "Exchange") and are amortised over a period of 5 years.

Acquired computer softwares are capitalised on the basis of the costs incurred to acquire and bring to use the specific softwares.

Costs associated with maintaining computer software programmes are expensed as incurred.

The method of amortisation reflects the pattern in which the economic benefits of the intangible assets are consumed or otherwise used up and where such pattern cannot be reliably determined, a straight line amortisation method is used.

3.12 Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. When an indication of an impairment loss exists, the carrying amount of the asset is assessed and is written down to its recoverable amount.

3.13 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified as available-for-sale financial assets and loans and receivables.

Classification and subsequent measurement of financial assets (Contd)

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

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to the consolidated financial statements For the year ended 31 March 2013

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets that are recognised in the consolidated statement of comprehensive income are presented within finance costs, finance income or other financial items, except for impairment of receivables which is presented within administrative expenses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial assets consist of investments as disclosed in Note 10 to these consolidated financial statements.

Available-for-sale financial assets consist of investments in equity shares that are not quoted in an active market. The best estimate of fair value is the transaction price on initial recognition or the value at which a share transaction has been contracted.

Available-for-sale financial assets whose fair value cannot be measured reliably are carried at cost less impairment.

The valuation of financial assets may not necessarily represent the amounts that may eventually be realised from sales or other dispositions.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Discounting, however, is omitted where the effect of discounting is immaterial. The Group's bank balances and most receivables fall into this category of financial instruments.

An allowance for credit losses is established if there is objective evidence that the Group will be unable to collect all amounts due.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include payables and borrowings.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within finance costs or finance income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.14 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.15 Equity and reserves

Stated capital is determined using the nominal values of shares that have been issued.

Translation reserve comprises of foreign currency translation differences arising from the translation in USD of the financial statements of the Group's foreign entities.

Accumulated losses include all current and prior periods results.

All transactions with owner of the parent are recorded separately within equity.

3.16 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in the respective jurisdiction.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and

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to the consolidated financial statements For the year ended 31 March 2013

specific limits to the use of any unused tax losses or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.17 Optionally convertible preference shares

Preference shares are classified as a financial liability if these are redeemable on a specific date or at the option of the holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in the statement of comprehensive income as accrued. Preference shares are classified as equity if they are non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity when approved by the Board of Directors.

3.18 Statutory reserve

The Bahrain Commercial Companies Law 2001 requires that 10 percent of the annual net profit be appropriated to a statutory reserve which is normally distributable only on dissolution. Appropriations may cease when the reserve reaches 50 percent of the paid up share capital. No such provision has been made for the current year as the Bahrain subsidiary is in a loss making situation.

3.19 Leased assets

Operating leases

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. Any contingent rents are expensed in the period they are incurred.

3.20 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

3.22 Employees' end of service benefits

Pensions rights (and other social benefits) for the Bahraini employees are covered by Social Insurance Organisation scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Group's share of contributions to the scheme, which is a defined contribution scheme under IAS 19- Employee Benefits, is recognised as expense in the consolidated statement of comprehensive income.

Expatriate employees are entitled to leaving indemnities payable under the Bahraini Labour Law, based on length of service and final remuneration. Provision for this, which is unfunded, and which represents a defined benefit plan under IAS 19 – Employee Benefits, has been made by calculating the notional liability had all employees left at the reporting date. The charge for the year is recognised as an expense in the statement of comprehensive income.

Short-term employee benefits

The cost of short-tem employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Contributions to the National Pension Scheme and Medical Aid Scheme are expensed in the period in which they fall due.

3.23 Trade receivables

Trade receivables are amounts due from customer for services performed in the ordinary course of business and are classified as current assets if settlement is expected within one year.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.24 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within one year.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.25 Set up costs

Set up costs are written off in the period in which they are incurred.

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to the consolidated financial statements For the year ended 31 March 2013

3.26 Comparatives

Where necessary, the comparatives have been adjusted to conform with changes in presentation in the current year.

3.27 Significant management judgement in applying accounting policies and estimation uncertainties

When preparing the consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Group is the USD.

Deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the profitability of the Group's future taxable income against which the deferred tax assets can be utilised.

Estimation uncertainties

Business combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, the directors use estimates of future cash flows and discount rates.

Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognised in profit or loss in the subsequent period.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. At the reporting date, management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are analysed in Notes 7 and 8. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Fair value estimation

The carrying value less impairment provision of trade and other receivables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the useful life assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply and demand, together with economic factors such as exchange rates, inflation and interest.

Available-for-sale investments

The Group follows the guidance of IAS 39 on determining when an investment is other than temporarily impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Loans and receivables

The Group assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculation for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises

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liabilities for anticipated tax audit issues based on estimate of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Pension benefits

The present value of pension obligations is determined using a number of assumptions. Any changes in these assumptions will impact the carrying amount of the pension obligations.

Allowance for doubtful debts on trade receivables

Allowance for doubtful debts is determined using a combination of factors, including the overall quality and ageing of trade receivable, continuing evaluation of the customers' financial strength. Management makes allowance for doubtful debts based on its best estimates at the end of the reporting period.

4. FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's risk management policies are designed to identify and analyse these risks, to set up appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

Risks are managed by different levels of management and committees. The latter are responsible for overseeing the establishment and implementation of effective risk management systems and the monitoring of internal compliance and controls.

The most significant financial risks to which the Group is exposed are described below.

4.1 Market risks

Foreign currency sensitivity

The Group is not exposed to foreign exchange risk as most of its assets and liabilities are denominated in the United States Dollar (USD), United Arab Emirates Dirhams (AED) and Bahrain Dinars (BHD). The percentage change on the BHD/USD and AED/USD exchange rate for the year ended 31 March 2013 is less than 1% and this would have impact marginally on the Group's result. This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months.

The foreign currency profile of the Group's financial assets and liabilities is as follows:-

(in USD)

31 March 2013	THE GROUP		THE COMPANY	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Botswana Pula (BWP)	207,137	162,382	-	-
Mauritian Rupees (MUR)	410,389	178,312	-	-
Arab Emirates Dirhams (AED)	12,001,658	260,582	-	-
Bahraini dinars (BHD)	7,858,428	663,008	-	-
	20,477,612	**1,264,284**	**-**	**-**

(in USD)

31 March 2012	THE GROUP		THE COMPANY	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Botswana Pula (BWP)	2,807,383	108,371	-	-
Mauritian Rupees (MUR)	350,545	107,730	-	-
Arab Emirates Dirhams (AED)	426,980	117,694	-	-
Bahraini dinars (BHD)	5,755,593	1,860,734	-	-
	9,340,501	**2,194,529**	**-**	**-**

Interest rate sensitivity

The Group has an interest bearing financial liabilities in the form of a bank loan and a loan from the ultimate holding company which are both at floating interest rates. The loans are indexed to the 3 month LIBOR + 3.2% per annum and LIBOR + 5.8% per annum respectively.

The Group earns interest income on its bank balances and which interest is based on market interest rates. At 31 March 2013, the bank balances stood at USD 11,988,596 and bank interest income earned during the financial year was USD 102,001.

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date. The analysis is prepared assuming that the amount of liability outstanding at the reporting date was as such outstanding for the whole year.

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If interest rate had been 25 basis points higher, the effect on loss would have been as follows:

(in USD)

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
Loss	(419,067)	(446,998)	(358,645)	(396,233)

4.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has policies in place to deal with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

(in USD)

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
Non-current assets				
Investments	13,377,805	13,377,805	150,955,752	150,955,752
Current assets				
Trade and other receivables	636,646	642,850	-	24,250
Due from a related party	43,844	32,630	27,870,250	9,231,500
Cash and cash equivalents	11,988,596	20,295,053	816,195	5,259,898
	12,699,086	20,970,533	28,686,445	14,515,648
Total	**26,046,891**	**34,348,338**	**179,642,197**	**165,471,400**

The Group holds investments in two unquoted companies incorporated in Dubai and British Virgin Islands. The investments are stated at cost since the fair values cannot be reliably measured. However, based on the future potential of the investee companies, the directors consider that the cost of the investments to be a reflection of their fair values.

The Company has given loans to group companies and for which the credit risk is manageable.

Trade receivables consist of a limited number of customers. The quality of individual credit or credit class is monitored on an ongoing basis and impairment losses are recognised as appropriate. Ongoing credit evaluation of the financial position of customers is performed and provision for doubtful debts is made where appropriate.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.

The credit risk for the bank balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

None of the above financial assets are secured by collaterals or other credit enhancements.

4.3 Liquidity risk analysis

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors who also monitors the Group's short, medium and long-term funding and liquidity management requirements. The Group manages its liquidity risk by maintaining adequate bank balances through shareholder's funds and borrowings.

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The following are the contractual maturities of financial liabilities, including interest payments:

THE GROUP

(in USD)

31 March 2013	Carrying amount	Contractual cash flows	Less than one year	1-5 years
Borrowings	179,000,000	186,392,000	67,712,000	118,680,000
Payables	13,829,792	13,829,792	13,829,792	-
	192,829,792	**200,221,792**	**81,541,792**	**118,680,000**

31 March 2012	Carrying amount	Contractual cash flows	Less than one year	1-5 years
Borrowings	160,000,000	161,209,500	47,137,500	114,072,000
Payables	2,347,586	2,347,586	2,347,586	-
	162,347,586	**163,557,086**	**49,485,086**	**114,072,000**

4.4 Concentration risk

The Group has invested in unlisted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Group to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risk of investing in such companies is much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for the investment existed. However, the directors consider the investments to be a strategic ones and the concentration risk is manageable.

5. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group's capital management objectives are:

- to ensure its ability to continue as a going concern; and
- to provide an adequate return to shareholders and stakeholders

by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the consolidated statement of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, reduce capital, issue new shares, or sell assets to reduce debts.

The gearing ratio for the Group and the Company are as follows:

(in USD)

	2013	2012
THE GROUP		
Debt	179,000,000	160,000,000
Cash and cash equivalents	(11,988,596)	(20,295,053)
Net debt	167,011,404	139,704,947
Equity	(55,508,668)	(10,495,925)
Total capital	111,502,736	129,209,022
Gearing ratio	100%	100%
THE COMPANY		
Debt	179,000,000	160,000,000
Cash and cash equivalents	(816,195)	(5,259,898)
Net debt	178,183,805	154,740,102
Equity	(1,538,757)	10,054,339
Total capital	176,645,048	164,794,441
Gearing ratio	100%	94%

Debt is defined as long and short-term borrowings, as detailed in Note 14.

Equity includes both capital and reserves.

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5.1 Fair value estimation

The Group's unquoted investments are stated at cost which is a reflection of the fair values. The Group's other financial assets and liabilities are measured at their carrying amounts, which approximate their fair values.

6. GOODWILL

(in USD)

	2013	2012
At 01 April	29,495,310	8,236,422
On acquisition of subsidiaries	-	21,308,457
	29,495,310	29,544,879
Exchange differences	(145,232)	(49,569)
At 31 March	29,350,078	29,495,310

The directors consider that the goodwill had not suffered any impairment at the reporting date.

7. INTANGIBLE ASSETS

(in USD)

	Computer software
Cost	
At 01 April 2012	63,870,159
Additions	10,056
Exchange difference	(590,744)
At 31 March 2013	63,289,471
Amortisation	
At 01 April 2012	14,851,516
Charge for the year	12,659,386
Exchange difference	(123,214)
At 31 March 2013	27,387,688
Net book values	
At 31 March 2013	35,901,783
Cost	
At 01 April 2011	25,205,556
On acquisition of subsidiary	32,598,067
Additions	6,066,536
At 31 March 2012	63,870,159
Amortisation	
At 01 April 2011	451,354
On acquisition of subsidiary	8,946,486
Charge for the year	5,453,676
At 31 March 2012	14,851,516
Net book values	
At 31 March 2012	49,018,643

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8. PROPERTY, PLANT AND EQUIPMENT

(in USD)

	Office equipment	Furniture and fittings	Improvement to leasehold building	Motor vehicles	Total
Cost					
At 01 April 2012	3,391,998	1,555,588	398,536	56,972	5,403,094
Additions	5,748	159,790	34,977	-	200,515
Disposals	(7,897)	-	-	(56,972)	(64,869)
Exchange differences	(25,675)	(24,707)	-	-	(50,382)
At 31 March 2013	3,364,174	1,690,671	433,513	-	5,488,358
Depreciation					
At 01 April 2012	1,172,010	730,860	391,009	22,310	2,316,189
Charge for the year	558,494	318,582	17,968	1,899	896,943
Disposals adjustments	(3,222)	-	-	(24,209)	(27,431)
Exchange differences	(7,600)	(12,685)	-	-	(20,285)
At 31 March 2013	1,719,682	1,036,757	408,977	-	3,165,416
Cost					
At 01 April 2011	1,428,848	1,319,037	-	-	2,747,885
On acquisition of subsidiary	1,963,048	230,831	398,536	56,972	2,649,387
Additions	102	5,720	-	-	5,822
At 31 March 2012	3,391,998	1,555,588	398,536	56,972	5,403,094
Depreciation					
At 01 April 2011	136,437	390,439	-	-	526,876
On acquisition of subsidiary	755,412	81,342	391,009	22,310	1,250,073
Charge for the year	280,161	259,079	-	-	539,240
At 31 March 2012	1,172,010	730,860	391,009	22,310	2,316,189
Net book values					
At 31 March 2013	1,644,492	653,914	24,536	-	2,322,942
At 31 March 2012	2,219,988	824,728	7,527	34,662	3,086,905

9. INVESTMENT IN SUBSIDIARIES

9.1 Unquoted and at cost:

(in USD)

	2013	2012
At 01 April	142,566,177	43,527,300
Additions	-	111,538,877
Redemption of shares	-	(12,500,000)
At 31 March	142,566,177	142,566,177

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9.2 Details of the investments in the subsidiaries are as follows:

Direct holding

Name of subsidiaries	Country of incorporation	Type of share	% holding	Cost USD
Bourse Africa Limited	Republic of Botswana	Equity	99.98%	35,014,800
Financial Technologies Middle East DMCC (FTME)	United Arab Emirates	Equity	100%	12,038,877
Global Board of Trade Ltd	Republic of Mauritius	Equity	100%	1,000,000
Global Board of Trade Ltd	Republic of Mauritius	Optionally Convertible Preference Shares	100%	51,000,000
Bahrain Financial Exchange BSC (c)	Kingdom of Bahrain	Equity	87.02%	43,512,500
Total				**142,566,177**

Indirect holding through Bahrain Financial Exchange BSC ©

Name of subsidiaries	Country of incorporation	Type of share	% holding
BFX Clearing & Depository Corporation BSC (c)	Kingdom of Bahrain	Equity	99.90%

Indirect holdings through Financial Technologies Middle East DMCC

Name of subsidiaries	Country of incorporation	Type of share	% holding
Capricorn Fin-Tech (Pvt) Ltd	Bangladesh	Equity	99.00%
Bahrain Financial Exchange BSC (c)	Kingdom of Bahrain	Equity	12.98%

Indirect holding through Global Board of Trade Ltd

Name of subsidiaries	Country of incorporation	Type of share	% holding
GBOT Clear Ltd	Republic of Mauritius	Equity	100%

Indirect holdings through Bourse Africa Limited

Name of subsidiaries	Country of incorporation	Type of share	% holding
Bourse Exchange Nigeria Limited	Nigeria	Equity	100%
Bourse Tanzania Limited	Tanzania	Equity	100%
Bourse Uganda Limited	Uganda	Equity	100%
Bourse Africa (Kenya) Limited	Kenya	Equity	100%
Bourse Zambia Limited	Zambia	Equity	100%
ICX Africa Limited	Botswana	Equity	100%
Bourse South Africa Limited	South Africa	Equity	100%

9.3 The Company holds Optionally Preference Shares in Global Board of Trade Ltd and the terms and conditions of these shares are as follows:

- the shares will carry a fixed rate of 5 percent dividend and the dividend will be non-cumulative.
- the shares have no voting rights except on resolutions that affect their rights.

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- no dividend will be paid to the ordinary shareholder unless the dividend is paid to the preference shareholder.
- the preference shareholder will have preference over the ordinary shareholder in the event of payment of capital/liquidation.
- no adjustment will be made for the preference shareholder in the event of any corporate actions, bonus and right issue.
- the preference shares shall be redeemed at the option of the OCPS holder and the redemption is within a period of 20 years of the allotment of the first OCPS (that is, within 20 years from 27 December 2006).
- the holder of the OCPS shall have the right to seek conversion of the OCPS at any time from the date of issue. Each OCPS will be redeemed at a premium of 10 percent on redemption. No premium will be payable to the holder of the OCPS on conversion of the OCPS into ordinary shares.
- The OCPS holder will give at least 15 days time to the Company for exercising the Option of conversion/redemption.

9.4 The cost of the investments is considered to be a reflection of the fair values.

10. AVAILABLE-FOR-SALE INVESTMENTS

Unquoted and at cost:

(in USD)

	THE GROUP		THE COMPANY	
	2013	**2012**	**2013**	**2012**
At 01 April	13,377,805	8,389,575	8,389,575	8,389,575
Movement	-	4,988,230	-	-
At 31 March	**13,377,805**	**13,377,805**	**8,389,575**	**8,389,575**

Details of the investments are as follows:

THE GROUP

Name of companies	Country of incorporation	Type of share	% holding	Cost USD
Dubai Gold and Commodities Exchange DMCC	Dubai	Equity	20.10%	8,379,575
Audit Control and Expertise Global Ltd (ACE),				
Audit Control and Expertise Ltd (ACEL) and	British Virgin			
Commodity Risk Management Technology (CRM)	Islands	Equity	20.00%	4,998,230
Total				**13,377,805**

The shares held in ACE, ACEL and CRM by Financial Technologies Middle East DMCC (FTME) have an embedded 'purchaser put option' exercisable from June 2009 to June 2010. Since the said companies were not able to meet the projections mentioned in the share purchase agreement ("agreement"), management exercised the put option and called for money paid under the agreement.

Pursuant to Dakin International Ltd's failure to repay said amount, management invoked the arbitration clause and filed an arbitration claim with International Chamber of Commerce, London as per the agreement. The Arbitrator vide his award dated 14 April 2011 allowed the claim of FTME and directed Audited Control and Expertise Global Limited (ACE) and Mr. Andre Soumah, Chairman of ACE to pay FTME USD 5,000,000 along with legal cost, cost of arbitration and interest. The Arbitrator has also held that once the payment is received by FTME, FTME shall transfer to ACE the 20% stake in CRM and the ACE Group currently owned by FTME. Pursuant to the award passed, FTME has initiated execution proceedings in Swiss, London and Paris for enforcement of the award.

THE COMPANY

Name of companies	Country of incorporation	Type of share	% holding	Cost USD
Dubai Gold and Commodities Exchange DMCC	Dubai	Equity	20.10%	8,379,575
BFX Clearing & Depository Corporation	Bahrain	Equity	0.10%	10,000
Total				**8,389,575**

The investments are stated at cost which is a reflection of the fair values.

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11. TRADE AND OTHER RECEIVABLES

(in USD)

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
Trade receivables, net	47,645	70,568	-	-
Due from a related party	43,844	32,630	27,870,250	9,231,500
Advances(Note (i))	30,750,000	26,500,000	-	-
Other receivables and prepayments	6,025,857	7,142,582	3,048,056	4,712,316
Total	**36,867,346**	**33,745,780**	**30,918,306**	**13,943,816**

(i) During the previous year, one subsidiary had entered into an agreement with the holding company, Financial Technologies India Limited, for the purchase of a software, DOME (Distributed Order Matching Engine) and CnS (Clearing and Settlement) at a total cost of USD 50 million. The software which is developed by the holding company comprises of two segments: one which deals with the Derivative Exchange for commodities, currencies, indices segment and clearing house and the other that deals with Spot Exchange for commodities segment and clearing house.

In the prior year, the subsidiary had paid USD 12.5 million as advance towards the spot exchange segment and USD 8.25 million as advance towards the derivative exchange segment. Further, the subsidiary has also paid USD 4.25 million representing 17% of the contracted value for the derivative exchange segment on receipt of this software. In the current year the subsidiary paid USD 4.25 million towards the derivative exchange segment. Though the subsidiary has acknowledged the receipt of the software, it has neither been installed nor tested as required prior to effective transfer of this derivative software to the subsidiary. Therefore, as at the year end, the entire amount paid is recognised as advances.

Further USD 1.5 million has also been paid in the prior year for the 'technical know how' to the holding company. Since the subsidiary has not yet commenced operations, the determination of whether the future economic benefits will flow to the subsidiary is yet to be known and hence the amount is considered as advances.

12. CASH AND CASH EQUIVALENTS

(in USD)

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
Cash at bank:				
USD	3,875,372	15,297,322	816,195	5,259,898
BHD	7,659,468	4,636,755	-	-
AED	53,767	68,833	-	-
BWP	32,032	33,123	-	-
MUR	344,929	259,020	-	-
Others	23,028	-	-	-
Total	**11,988,596**	**20,295,053**	**816,195**	**5,259,898**

Cash and cash equivalents of USD 1.5m have been pledged for bank credit facilities.

13. STATED CAPITAL

	2013		2012	
	Number	USD	Number	USD
Equity shares:				
Ordinary shares of USD 1 each	60,002	60,002	60,002	60,002
Optionally convertible preference shares:				
At 01 April	15,000,000	15,000,000	50,000,000	50,000,000
Redemption of shares	-	-	(35,000,000)	(35,000,000)
At 31 March	15,000,000	15,000,000	15,000,000	15,000,000
Total	**15,060,002**	**15,060,002**	**15,060,002**	**15,060,002**

In 2012, the stated capital decreased to USD 15,060,002 by the redemption of 35,000,000 Optionally Convertible Preference Shares of USD 1 each.

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The terms and conditions of the Optional Convertible Preference Shares (OCPS) are as follows:

- the shares will carry a fixed 5 percent non-cumulative dividend.
- the shares have no voting rights except on resolutions that affect their rights.
- no dividend will be paid to the ordinary shareholder unless the dividend is paid to the preference shareholder.
- the preference shareholder will have preference over the ordinary shareholder in the event of payment of capital/liquidation.
- the preference shares shall be redeemed within a period of 20 years of the allotment. However, the preference shareholder shall have the right to seek conversion of the OCPS at any time from the date of issue. Each OCPS will be converted into one ordinary share in the capital of the Company.

14. BORROWINGS

Non-current

Borrowings consist of a bank loan of USD 115m and a loan of USD 64m from the holding company.

(i) The bank loan of USD 115m carries interest rate at LIBOR (3 month) + 3.2% per annum. The bank interests are payable on a quarterly basis in arrears while the capital repayment will be effected in 3 equal installments at the end of the 42nd, 48th and 54th months.

The loan is guaranteed by the holding company.

(ii) The loan of USD 64m from the holding company has been reclassified as non-current as the latter has committed not to recall the said loan in the near future subject to availability of funds with the company. The loan carries interest at 5.8% per annum.

15. PAYABLES

(in USD)

	THE GROUP		THE COMPANY	
	2013	**2012**	**2013**	**2012**
Due to a related party (Note (i) below)	4,412,232	58,300	4,318,853	32,625
Other payables and accruals	8,313,473	2,146,736	907,157	72,474
Advances from prospective members (Note (ii) below)	170,988	224,737	-	-
Deposit from members (Note (iii) below)	933,099	1,002,548	-	-
	13,829,792	**3,432,321**	**5,226,010**	**105,099**

(i) The amount due to a related party is unsecured, interest free and repayable on demand.

(ii) The advance from prospective members relate to those members which have already paid admission fees to undertake membership on the exchange platform, but their admission procedures are still in process at the reporting date.

(iii) The deposit from members relates to Settlement Guaranteed Fund which is refundable to the members and is as follows:

(in USD)

	2013	**2012**
Currency Segment	651,409	539,730
Commodity Segment	281,690	462,818
Total	**933,099**	**1,002,548**

These amounts are held in separate accounts with the three clearing banks.

16. DEFERRED INCOME

Deferred income represents the portion of payments received from customers for performing annual maintenance contracts, for which the contract period is not expired at the end of the reporting period.

17. TAXATION

17.1 Income tax expense

The Company

The Company, under current laws and regulations, is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritius tax payable in respect of its foreign source income thus reducing its effective tax rate to 3%.

No Mauritian capital gains tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its shareholder will be exempt in the Republic of Mauritius from any withholding tax.

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At 31 March 2013, the Company has no income tax liability due to tax losses carried forward (31 March 2012: Nil).

The subsidiaries

The subsidiary in Botswana is subject to income tax at a basic rate of 15% plus an additional tax rate of 10% and the subsidiaries in Bahrain and Dubai are exempt from income tax. At 31 March 2013, the subsidiary in Botswana had no income tax liability due to tax losses carried forward.

The Mauritian subsidiary is liable to income tax at the rate of 15% and at 31 March 2013, it had no income tax liability due to tax losses carried forward.

17.2 Income tax reconciliation

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

(in USD)

	2013	2012
Loss before tax	(11,590,096)	(4,775,378)
Tax at 3%	(347,703)	(143,261)
Deferred tax asset not recognised	347,703	143,261
Tax expense	-	-

17.3 Deferred tax

The Company

No deferred tax asset has been recognised as no taxable income is probable in the foreseeable future.

The Subsidiaries

Deferred tax assets are calculated on all temporary differences under the liability method at the rate of 15%.

(in USD)

	2013	2012
At 01 April	(4,041,895)	-
On acquisition of a subsidiary	-	(4,041,895)
Movement during the year	(3,674,081)	-
At 31 March	(7,715,976)	(4,041,895)

The deferred tax assets are made up of:

(in USD)

	2013	2012
Accelerated capital allowances	545,349	2,243,771
Unutilised tax losses	(8,261,325)	(6,285,666)
Tax credit	(7,715,976)	(4,041,895)

NOTES

to the consolidated financial statements For the year ended 31 March 2013

18. CONSOLIDATION

(i) Details regarding the subsidiaries, its activities, its total assets and liabilities as at 31 March 2013, and revenues and loss for the year then ended are as follows:

	Bourse Africa Limited
Country of incorporation	Republic of Botswana
Proportion of ownership interest	99.98%

(in USD)

Activities of subsidiary	2013	2012
Total assets	31,315,268	29,423,388
Total liabilities	4,458,689	126,550
Operating revenues	-	-
Loss for the year	2,440,259	1,589,107

Goodwill on acquisition

	USD
Purchase consideration	14,800
Fair value of net liabilities acquired	457,135
	471,935

	Bahrain Financial Exchange BSC (c)
Country of incorporation	Bahrain
Proportion of ownership interest	87.02%

(in USD)

Activities of subsidiary	2013	2012
Total assets	27,951,835	32,982,900
Total liabilities	19,301,301	6,002,748
Operating revenues	85,211	254,382
Loss for the year	17,847,707	9,933,956

Goodwill on acquisition

	USD
Purchase consideration	31,012,500
Fair value of net liabilities acquired	(23,248,013)
	7,764,487

	Financial Technologies Middle East DMCC
Country of incorporation	United Arab Emirates
Proportion of ownership interest	100%

NOTES

to the consolidated financial statements For the year ended 31 March 2013

(in USD)

Activities of subsidiary	2013	2012
Total assets	12,104,579	11,958,275
Total liabilities	1,277,495	335,733
Operating revenues	473,923	363,984
Loss for the year	790,810	348,018

Goodwill on acquisition

	USD
Purchase consideration	12,038,877
Fair value of net assets acquired	(11,622,603)
	416,274

	Global Board of Trade Ltd
Country of incorporation	Republic of Mauritius
Proportion of ownership interest	100%

(in USD)

Activities of subsidiary	2013	2012
Total assets	30,983,638	37,543,558
Total liabilities	11,365,605	6,435,741
Operating revenues	111,975	39,297
Loss for the year	11,489,784	12,970,257

Goodwill on acquisition

	USD
Purchase consideration	1,000,000
Fair value of net liabilities acquired	19,892,183
	20,892,183

19. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2013, the Company and its subsidiaries had transactions with related parties. The nature, volume of transactions and balances are as follows:

(in USD)

THE COMPANY				
Nature of relationship	Nature of transactions	Volume of transactions	Debit/(credit) balances at 31 March 2013	Debit/(credit) balances at 31 March 2012
Holding company	Loan and interest	20,723,871	(65,781,792)	(45,057,921)
Subsidiaries	Loans and interest	18,645,750	27,870,250	9,224,500
Group company	Advances	5,000	41,500	31,500

The amounts due to/from related parties are interest free, unsecured and repayable/receivable within one year.

NOTES

to the consolidated financial statements For the year ended 31 March 2013

(in USD)

THE SUBSIDIARIES

(I) Bahrain Financial Exchange BSC ©

Nature of relationship	Nature of transactions	Volume of transactions	Credit balances at 31 March 2013	Credit balances at 31 March 2012
Holding Company	Loan and interest	8,290,030	12,290,030	4,000,000
Key management personnel	Salaries and other short term benefits	341,829	-	-
	Post employment benefits	44,181	-	-

(ii) Bourse Africa Limited

Nature of relationship	Nature of transactions	Volume of transactions	Debit/(credit) balances at 31 March 2013	Debit/(credit) balances at 31 March 2012
Holding Company	Loan and interest	4,337,734	(4,200,000)	-
Subsidiaries	Advances	162,000	(47,046)	(32,791)
Ultimate Holding Company	Advances	4,250,000	30,750,000	26,500,000
Key Management personnel	Remuneration and Consultancy fees	258,334	-	-

(iii) Financial Technologies Middle East DMCC

Nature of relationship	Nature of transactions	Volume of transactions	Credit balances at 31 March 2013	Credit balances at 31 March 2012
Ultimate Holding Company	Loan and interest	75,947	100,405	24,458

(iv) Global Board of Trade

Nature of relationship	Nature of transactions	Volume of transactions	Debit/(credit) balances at 31 March 2013	Debit/(credit) balances at 31 March 2012
Subsidiary	Financing	8,529	8,529	-
Group company	Reimbursement of expenses	748	1,878	1,130
Group company	Consultancy fees	65,157	(65,157)	-
Holding company	Loan	5,000,000	(10,000,000)	(5,000,000)
Holding company	Interest payable	23,289	-	(23,289)
Holding company	Interest expense	475,833	-	-
Ultimate holding company	Software support	38,682	-	-
Ultimate holding company	Maintenance costs of software	4,870,966	-	-
Ultimate holding company	Business development costs	14,841	-	-
Ultimate holding company	Travelling & conveyance	25,674	-	-
Key management personnel	Short-term benefits	169,907	-	-
Key management personnel	Termination benefits	4,116	(4,116)	-
Key management personnel	Sale of motor vehicle	32,758	-	-

20. Commitment

20.1 Authorised capital expenditure

Already contracted for but not provided for

(in USD)

	2013	2012
Software	20,750,000	25,000,000

This committed expenditure relates to balance payment towards the DOME and CnS software and will be financed by capital induction.

NOTES

to the consolidated financial statements For the year ended 31 March 2013

20.2 Capital commitment

(in USD)

	2013	2012
Authorised and contracted	-	85,710

20.3 Operating lease commitments – where the Group is a lessee

Operating leases relate to office and accommodation facilities with lease terms of 1 to 4 years renewable at the option of the Group. The operating lease contracts contain market review clauses in the event that the Group exercises its option to renew. The Company does not have an option to purchase the leased assets at the expiry of the lease period.

Payments recognised as an expense

The future minimum lease payments payable under the non-cancellable operating leases are as follows:

(in USD)

	2013	2012
Not later than 1 year	721,029	1,088,101
2 - 4 years	182,930	939,271
	903,959	2,027,372

21. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the going concern basis which assumes that the Group will continue in operational existence in the foreseeable future. The validity of this assumption depends on the continued support of the holding company. The directors are of the opinion that this support will be forthcoming over the foreseeable future. They therefore believe that it is appropriate for the consolidated financial statements to be prepared on a going concern basis.

22. HOLDING COMPANY

The directors regard Financial Technologies (India) Limited, a listed company incorporated in the Republic of India, as the Company's holding company.

INDEPENDENT AUDITOR'S REPORT

To,

THE SHAREHOLDER OF **M/s. Financial Technologies Middle East DMCC**

Dubai - U.A.E.

We have audited the accompanying financial statements of **M/s. Financial Technologies Middle East DMCC,** Dubai - U.A.E., which comprise the statement of financial position as at March 31, 2013, the statements of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable under the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of M/s.Financial Technologies Middle East DMCC, Dubai - U.A.E., as at March 31, 2013, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS).

As required by the provision of the DMCC Company Regulation no. 1/3 issued in 2003, we further confirm that,

1. We have obtained all the information and explanations necessary for our audit.
2. Proper books of account have been maintained by the Company.
3. We are not aware of any contraventions during the period of the abovementioned law or the Company's Articles of Association which may have material effect on the financial position of the Company or the result of its operations for the period.

RAO & ROSS
Chartered Accountants

Date : 13 May, 2013

STATEMENT OF FINANCIAL POSITION

as at 31st March 2013

(In Arab Emirates Dirhams)

Particulars	Notes	31st March 2013	31st March 2012
Assets			
Current assets:			
Cash and bank balances	5	601,529	246,981
Accounts receivable	6	175,038	261,362
Other receivables and prepayments	7	1,209,307	1,188,714
Due from related parties	8	287,331	22,142
Total current assets		**2,273,205**	1,719,199
Non - current assets			
Property, plant and equipment	9	42,714	40,913
Available for sale investments	10	42,170,613	42,170,613
Investment in subsidiary	11	5,940	5,940
Total non - current assets		**42,219,267**	42,217,466
Total assets		**44,492,472**	43,936,665
Liabilities and shareholder's equity			
Current liabilities:			
Deferred income	12	98,917	59,280
Other payables	13	588,525	258,913
Due to related parties	8	368,865	94,288
Total current liabilities		**1,056,307**	412,481
Non-current liabilities			
Long term liability	14	149,465	82,703
Total liabilities		**1,205,772**	495,184
Shareholder's equity			
Share capital	1	66,000,000	66,000,000
Accumulated (losses)	15	(26,200,750)	(23,296,246)
Shareholder's loan account	16	3,487,450	737,727
Total shareholder's equity		**43,286,700**	43,441,481
Total liabilities and shareholder's equity		**44,492,472**	43,936,665

The accompanying notes form an integral part of these financial statements.
The financial statements were approved by the Board of Directors and signed on its behalf by:

Arshad Khan
(Manager)

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31st March, 2013

(In Arab Emirates Dirhams)

Particulars	Notes	Apr 01, 2012 to Mar 31, 2013	Apr 01, 2011 to Mar 31, 2012
Revenue	17	1,741,084	1,333,278
Cost of revenue	18	1,183,136	983,860
Gross Profit		**557,948**	349,418
Deduct			
General and administrative expenses	19	3,285,260	1,531,047
Selling expenses	20	47,622	58,389
Interest on shareholder's loan	16	97,925	10,175
Depreciation	9	35,144	24,572
Total operating expenses		**3,465,951**	1,624,183
(Loss) from operating activities		**(2,908,003)**	(1,274,765)
Other comprehensive (loss)			
Other income	21	3,499	722
Total comprehensive (loss) for the year		**(2,904,504)**	(1,274,043)

The accompanying notes form an integral part of these financial statements.
The financial statements were approved by the Board of Directors and signed on its behalf by:

Arshad Khan
(Manager)

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

for the year ended 31st March, 2013

(In Arab Emirates Dirhams)

PARTICULARS	Share capital	Accumulated (losses)	Shareholder's current account	Total
Balance as on April 1, 2011	66,000,000	(22,022,203)	-	43,977,797
Changes in shareholder's equity:				
Total comprehensive (loss) for the year	-	(1,274,043)	-	(1,274,043)
Interest	-	-	10,175	10,175
Net movement during the year	-	-	727,552	727,552
As on March 31, 2012	**66,000,000**	**(23,296,246)**	**737,727**	**43,441,481**
Changes in shareholder's equity:				
Total comprehensive (loss) for the year	-	(2,904,504)	-	(2,904,504)
Interest	-	-	97,925	97,925
Net movement during the year	-	-	2,651,798	2,651,798
As on March 31, 2013	**66,000,000**	**(26,200,750)**	**3,487,450**	**43,286,700**

The accompanying notes form an integral part of these financial statements.
The financial statements were approved by the Board of Directors and signed on its behalf by:

Arshad Khan
(Manager)

STATEMENT OF CASH FLOW

for the year ended 31st March, 2013

(In Arab Emirates Dirhams)

Particulars	Apr 01, 2012 to Mar 31, 2013	Apr 01, 2011 to Mar 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net comprehensive (loss) for the year	(2,904,504)	(1,274,043)
Adjustment for:		
Depreciation	35,144	24,572
Provision for doubtful debts	42,343	5,575
Loss on disposal of property, plant and equipment	-	2,813
Interest provided on shareholder's loan	97,925	10,175
Provision for staff termination benefits	66,762	39,085
OPERATING (LOSS) BEFORE CHANGES IN WORKING CAPITAL	**(2,662,330)**	(1,191,823)
Decrease/(Increase) in accounts receivable	43,981	(191,631)
(Increase) in other receivables and prepayments	(20,593)	(301,970)
(Increase)/Decrease in due from related parties	(265,189)	79,309
Increase/(Decrease) in due to related parties	274,577	(161,735)
Increase in deferred income	39,637	2,547
Increase/(Decrease) in other payable	329,612	(10,812,776)
Net cash (used in) operating activities	**(2,260,305)**	(12,578,079)
Cash flows from investing activities		
Purchase of property, plant & equipments	(36,945)	(13,850)
Proceeds from disposal of property, plant & equipments	-	4,000
Net cash (used in) investing activities	**(36,945)**	(9,850)
Cash flows from financing activities		
Net movement in shareholder's loan account	2,651,798	727,552
Net cash from financing activities	**2,651,798**	727,552
Net increase/(decrease) in cash and cash equivalents	354,548	(11,860,377)
Cash and cash equivalents, beginning of the year	246,981	12,107,358
Cash and cash equivalents, end of the year	**601,529**	246,981
Represented by:	17,114	4,807
Cash in hand	584,415	242,174
Balance with banks - current accounts	**601,529**	246,981

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and signed on its behalf by:

Arshad Khan
(Manager)

Notes to the financial statements for the year ended March 31, 2013

1. **Legal status and business activities**
   a. **M/s. Financial Technologies Middle East DMCC, Dubai, U.A.E.,** (the "Company") is registered with the Dubai Multi Commodities Centre, Dubai - U.A.E. on November 08, 2005 (Licence No. 30305) as a Limited Liability Company.
   b. The Company is principally engaged in the business of providing technology and software services.
   c. The management and control of the Company are vested with the Manager, Mr. Arshad Mohammed Khan (Indian national).
   d. The registered address of the Company is P.O. Box: 212010, Dubai – United Arab Emirates.
2. **Share capital**
   The authorised share capital of the Company is AED 210,000,000 divided into 210,000 shares of AED 1,000 each. Of the above, 66,000 shares are fully paid up and held in the name of **M/s. FT Group Investments Pvt Ltd, Mauritius.**

3 **Significant accounting policies**

Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and applicable requirements of U.A.E. Law.

Reporting period

These financial statements represent the operating results of the Company for a period from April 01, 2012 to March 31, 2013.

Functional and presentation currency

These financial statements are presented in Arab Emirates Dirhams (AED).

A summary of the significant accounting policies applied in the preparation of these financial statements are set out below which are consistently applied for the year presented, unless otherwise stated.

NOTES

to the financial statements for the year ended March 31, 2013

a. Accounting convention

The financial statements have been prepared in accordance with historical cost convention basis.

b. Revenue recognition

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

i) The amount of revenue can be measured reliably;

ii) It is probable that the economic benefits associated with the transaction will flow to the Company;

iii) The stage of completion of the transaction at the end of the reporting period can be measured reliably; and

iv) The costs incurred for the transaction and the cost to complete the transaction can be measured reliably.

c. Property plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, levies, duties and any directly attributable cost of bringing the asset to its working condition.

Depreciation is computed using the straight line method, at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives as follows:

Computers and software	3 Years
Furniture, fixtures and equipment	3 Years

d. Impairment of assets

Property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit or loss

e. Available for sale investments

Investment in shares held for trading are recognised at cost. Subsequent measurement of these financial assets have been made at cost according to the provisions of clause 46 (c) of IAS 39 - Financial Instruments: Recognition and Measurement.

f. Investment in subsidiary

Subsidiaries are those entities which are controlled by the parent company. Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiary are not included in these financial statements. Investments in subsidiary in the parent company balance sheet are carried at cost less any impairment in value in accordance with the IAS 27.

g. Employee's end of service benefits

Provision is made for end of service benefits due to employees in accordance with the relevant U.A.E labour legislation for their period of service upto the end of the reporting period and disclosed in the accompanying financial statements as non current liability.

h. Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the end of the reporting period. Gains and losses arising are included in the profit or loss.

I. Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated

j. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash, balances with the bank and deposits with the banks maturing within 3 months from the date of deposit.

k. Accounts receivable

Accounts receivable are stated at their nominal value, as reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as and when they arise.

l. Accounts payable

Accounts payable are stated at their nominal value.

m. Financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument, excluding investment in subsidiaries, associates or joint ventures. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

4 Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company’s accounting policies, which are described in notes to the accounts, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

4.1 Critical judgments in applying the Company’s accounting policies

In the process of applying the Company’s accounting policies, the management is of the opinion that there is no instance of application of judgments which is expected to have a significant effect on the amounts recognised in the financial statements.

4.2 Key sources of estimation uncertainty

NOTES

to the financial statements for the year ended March 31, 2013

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that is having a significant risk of causing of material adjustment to carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation on property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the assets and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

Allowance for doubtful debts on trade receivable

Allowance for doubtful debts is determined using a combination of factors, including the overall quality and ageing of trade receivable, continuing evaluation of the customers' financial strength. Management makes allowance for doubtful debts based on its best estimates at the end of the reporting period

(In Arab Emirates Dirhams)

5. CASH AND BANK BALANCES	31st March 2013	31st March 2012
Cash in hand	17,114	4,807
Balance with banks - current accounts	584,415	242,174
	601,529	246,981
6. ACCOUNTS RECEIVABLE		
Sundry debtors	219,893	341,326
Less: Provision for doubtful debts	(44,855)	(79,964)
	175,038	261,362
a) Ageing analysis:		
Due for less than 6 months	180,038	205,617
Due for more than 6 months	39,855	135,709
	219,893	341,326
b) Geographical analysis:		
Within U.A.E.	127,174	267,601
Outside U.A.E.	92,719	73,725
	219,893	341,326
c) Credit risk analysis At the end of the reporting year top 5 customers constitute 98% (P.Y. 78%) of the total outstanding accounts receivable. Adequate provision has been made for balance considered as doubtful of recovery. The provision has been determined by reference to past experience.		
d) The fair value of accounts receivable is not materially different from their balances shown in the statement of financial position.		
e) Movement of provision for dobtful debts		
Balance - beginning of the year	79,964	74,389
Provision made during the year	42,343	5,575
Bad debts written off	(77,452)	-
Balance - end of the year	**44,855**	79,964
7. OTHER RECEIVABLES AND PREPAYMENTS		
Guarantee deposits	105,278	105,278
Other deposits	250,271	248,783
Advance paid to staff	34,177	27,954
Other receivables	695,259	685,259
Prepayments	124,322	121,440
	1,209,307	1,188,714
8 Related party transactions		
The Company enters into transaction with companies and entities that fall within the definition of a related party as contained in International Financial Reporting Standards (IFRS). Related parties comprise of companies and entities under common ownership and/or common management and control their partners and key management personnel.		

NOTES

to the financial statements for the year ended March 31, 2013

(In Arab Emirates Dirhams)

	31st March 2013	31st March 2012
The Company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.		
At the end of the reporting period, due from related parties were as follows:		
Due from related parties		
M/s. Global Board of Trade Limited, Mauritius	239,389	-
M/s. FT Group Investment Private Limited, Mauritius	25,800	-
M/s. Capricorn Fin - Tech (Pvt) Ltd., Dhaka - Bangladesh	22,142	22,142
	287,331	22,142
At the end of the reporting period, due to related parties were as follows:		
Due to related parties		
M/s. Financial Technologies (India) Limited, Mumbai - India	368,865	94,288
	368,865	94,288
The nature of significant related party transactions and the amounts involved were as follows:		

	Apr 1, 2012 to Mar 31, 2013	Apr 1, 2011 to Mar 31, 2012
Revenue	261,611	-
Cost of revenue	1,067,466	883,561
Interest paid	97,925	10,175
The Company provides/receives funds from/to related parties as and when required as working capital facilities.		

(In Arab Emirates Dirhams)

9. PROPERTY, PLANT AND EQUIPMENT	Computers and Software	Furniture, fixtures and equipment	Total
Cost:			
At April 1, 2012	231,602	57,983	289,585
Additions	36,945	-	36,945
At March 31, 2013	**268,547**	**57,983**	**326,530**
Accumulated Depreciation:			
At April 1, 2012	217,836	30,836	248,672
For the year	16,405	18,739	35,144
At March 31, 2013	**234,241**	**49,575**	**283,816**
Net book value:			
At March 31, 2013	**34,306**	**8,408**	**42,714**
At March 31, 2012	13,766	27,147	40,913

(In Arab Emirates Dirhams)

10. AVAILABLE FOR SALE INVESTMENTS	31st March 2013	31st March 2012
Investments in shares	**42,170,613**	42,170,613
The Company holds 20% stake in Audit Control and Expertise Global Ltd., Audit Control and Expertise Ltd and Commodity Risk Management Technology Pte Ltd. Total carrying cost of such investment included in non-current investments in equity shares is AED 18,355,000 (USD 5,000,000). The shares have an embedded 'purchaser put option' exercisable from June 2009 – June 2010. Since the said companies were not able to meet the projections mentioned in the share purchase agreement, management exercised the put option and called for money paid under share purchase agreement by invoking arbitration. Pursuant to the award dated April 14, 2011, the Company has iniated proceedings in Switzerland, London and Paris for enforcement award. Included in the above investment AED 23,815,613, being the 17.30% investment in M/s. Bahrain Financial Exchange BSC (c), Manama - Kingdom of Bahrain. The investment has been stated at cost.		

NOTES

to the financial statements for the year ended March 31, 2013

(In Arab Emirates Dirhams)

11. INVESTMENT IN SUBSIDIARY	31st March 2013	31st March 2012
M/s. Capricorn Fin - Tech (Pvt) Ltd., Dhaka - Bangladesh (99% equity interest)	**5,940**	5,940
The above subsidiary is not consolidated in these financial statements. Investment in subsidiary is carried at cost as per IAS 27 ("Consolidated and separate financial statements"). An objective assessment for impairment is carried out annually.		
12. DEFERRED INCOME		
Deferred income	**98,917**	59,280
The above represents the portion of payments received from customers for performing annual maintenance contracts, for which the contract period is not expired at the end of the reporting period.		
13. OTHER PAYABLES		
Accrued expenses and provisions	586,322	258,913
Advance received from customer	2,203	-
	588,525	258,913
14. LONG TERM LIABILITY		
Provision for staff termination benefits		
Balance - beginning of the year	82,703	43,618
Provision made during the year	66,762	39,085
Less: Paid during the year	-	-
Balance - end of the year	**149,465**	82,703
15. ACCUMULATED (LOSSES)		
Balance - beginning of the year	(23,296,246)	(22,022,203)
Net (loss) for the year	(2,904,504)	(1,274,043)
Balance - end of the year	**(26,200,750)**	(23,296,246)
16. SHAREHOLDERS' LOAN ACCOUNT		
Balance - beginning of the year	737,727	-
Additions during the year	2,753,250	1,468,400
Interest	97,925	10,175
Paid during the year	(101,452)	(740,848)
Balance - end of the year	**3,487,450**	737,727
The above loan represents USD 950,000 received from FT Group Investment Private Limited, which bears interest @ 6% per annum. Interest upto the end of reporting period has been paid in full.		

	Apr 1, 2012 to Mar 31, 2013	Apr 1, 2011 to Mar 31, 2012
17. REVENUE		
Service income	**1,741,084**	1,333,278
18. COST OF REVENUE		
Direct cost	**1,183,136**	983,860
19. GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries & other related benefits	1,665,615	458,378
Rent	77,693	56,911
Communication	94,720	72,677
Professional fees	18,000	31,000
Legal, municipal and visa	1,242,488	854,534
Travelling and conveyance	99,794	7,322
Bad debts & provision for bad debts	42,343	5,575
Bank charges	19,693	11,617
Loss on disposal of property, plant and equipment	-	2,813
Other operating expenses	24,914	30,220
	3,285,260	1,531,047

NOTES

to the financial statements for the year ended March 31, 2013

(In Arab Emirates Dirhams)

20. SELLING EXPENSES	Apr 01, 2012 to Mar 31, 2013	Apr 01, 2011 to Mar 31, 2012
Business promotion expenses	47,622	58,389
21. OTHER INCOME		
Provision no more required	1,500	-
Interest received	1,999	722
	3,499	722
22 OPERATING LEASES		
The Company entered into non cancellable operating lease contract whereby it would leased out office space to the Company. The future aggregate minimum lease commitments on operating leases are as follows:		
Lease payments recognised as expense during the year	77,693	56,911
Future minimum lease payments		
Less than 1 year	24,000	24,000

23. FINANCIAL INSTRUMENTS

Financial instruments of the Company comprise of cash and bank balances, accounts receivable, other receivables, due from related parties, due to related parties, deferred income and other payables.

Fair values of financial assets and liabilities

At the end of the reporting period, the fair values of the Company's financial assets and liabilities approximate their carrying values.

Risk management

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged since previous year.

Credit risk

Financial assets which potentially expose the Company to concentration of credit risk comprise principally bank accounts, accounts receivable, other receivables and due from related parties.

The Company's bank accounts are placed with high quality financial institutions.

Accounts receivable are stated net of allowances for doubtful debts.

Currency risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirham or US Dollars to which conversion of Dirham is fixed.

Interest rate risk

The Company's loan from Shareholder is obtained at fixed rate of interest @6% per annum. Other than this the Company is not exposed to any significant interest rate risk as at the end of the reporting period.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and financial liabilities.

(In Arab Emirates Dirhams)

24. CONTINGENT LIABILITIES	31st March 2013	31st March 2012
Letters of guarantee	105,278	105,278
Except for the above and the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Company's account at the end of the reporting period.		

25. HOLDING AND ULTIMATE HOLDING COMPANIES

The directors regard FT Group Investments Pvt. Ltd, a company incorporated in the Republic of Mauritius, as the Company's immediate holding company and Financial Technologies (India) Limited, a listed company incorporated in India, as the Company's ultimate holding company.

26. COMPARATIVE AMOUNTS

Certain figures of the previous year were regrouped/reclassified, wherever necessary, to conform to current year's presentation.

The financial statements on pages 470 to 477 were approved by the Board of Directors and signed on its behalf by:

Arshad Khan
(Manager)

INDEPENDENT AUDITOR'S REPORT

as per balance sheet

To

The Shareholders
M/s. Capricorn Fin-Tech (Pvt.) Ltd
Dhaka - Bangladesh

We have compiled the accompanying financial statements of **M/s. Capricorn Fin-Tech (Pvt.) Ltd., Dhaka - Bangladesh** ("the Company") which comprise the statement of financial position as at March 31, 2013, the statement of comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Opinion

We have reviewed the financial statements in the light of information and explanation given to us and the said financial statements are properly drawn up, in accordance with the generaly and internationally accepted accounting principles, so as to present fairly the financial position and the result of the opration of **M/s. Capricorn Fin-Tech (Pvt.) Ltd., Dhaka - Bangladesh**, as at March 31, 2013.

RAO & ROSS
CHARTERED ACCOUNTANTS

Date : 13 May, 2013.

STATEMENT OF FINANCIAL POSITION

as of March 31, 2013

(In Arab Emirates Dirhams)

	Notes	Mar 31, 2013	Mar 31, 2012
Assets			
Current assets:			
Cash at bank	3	5,040	5,790
Total assets		**5,040**	5,790
Shareholders' equity			
Share capital	1	6,000	6,000
Accumulated loss	4	(23,042)	(22,292)
Shareholder's current account	5	22,082	22,082
Total shareholders' equity		**5,040**	5,790

The accompanying notes form an integral part of these financial statements.
The financial statements were approved by the Board of Directors and signed on its behalf by:

Mr. Arshad Mohammed Khan
(Director)

Mr. Wali Ul Maroof Matin
(Director)

STATEMENT OF COMPREHENSIVE INCOME

for the year ended March 31, 2013

(In Arab Emirates Dirhams)

	Notes	Apr 01, 2012 to Mar 31, 2013	Apr 01, 2011 to Mar 31, 2012
General and administrative expenses	6	(750)	(750)
Net (loss) for the year		**(750)**	(750)

The accompanying notes form an integral part of these financial statements.
The financial statements were approved by the Board of Directors and signed on its behalf by:

Mr. Arshad Mohammed Khan
(Director)

Mr. Wali Ul Maroof Matin
(Director)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended March 31, 2013

(In Arab Emirates Dirhams)

PARTICULARS	Share capital	Accumulated loss	Shareholder's current account	Total
Changes in shareholders' equity:				
As on 01 April 2011	6,000	(21,542)	22,082	6,540
Net (loss) for the year	-	(750)	-	(750)
As on March 31, 2012	**6,000**	**(22,292)**	**22,082**	**5,790**
Changes in shareholders' equity:				
Net (loss) for the year	-	(750)	-	(750)
As on March 31, 2013	**6,000**	**(23,042)**	**22,082**	**5,040**

The accompanying notes form an integral part of these financial statements.
The financial statements were approved by the Board of Directors and signed on its behalf by:

Mr. Arshad Mohammed Khan
(Director)

Mr. Wali Ul Maroof Matin
(Director)

STATEMENT OF CASH FLOW

for the year ended March 31, 2013

(In Arab Emirates Dirhams)

	Apr 01, 2012 to Mar 31, 2013	Apr 01, 2011 to Mar 31, 2012
Cash flows from operating activities		
Net (loss) for the year	(750)	(750)
Net cash (used in) operating activities	**(750)**	(750)
Net (decrease) in cash and cash equivalents	**(750)**	(750)
Cash and cash equivalents, beginning of the year	5,790	6,540
Cash and cash equivalents, end of the year	**5,040**	5,790
Represented by:		
Balance with bank - current account	5,040	5,790
	5,040	5,790

The accompanying notes form an integral part of these financial statements.
The financial statements were approved by the Board of Directors and signed on its behalf by:

Mr. Arshad Mohammed Khan
(Director)

Mr. Wali Ul Maroof Matin
(Director)

NOTES

to the financial statements for the year ended March 31, 2013

1 LEGAL STATUS AND BUSINESS ACTIVITIES

a. **M/s. Capricorn Fin-Tech (Pvt.) Ltd,** (the "Company") is registered under Bangladesh Companies Act, 1994 on March 25, 2008 (Incorporation certificate no. C-70510(3019)/08) as a Private Limited Company.

b. The Company is principally engaged in providing technology and software services.

c. The management and control of the Company are vested with the Directors, Mr. Arshad Mohammed Khan (Indian national) representing M/s. Financial Technologies Middle East DMCC, Dubai - U.A.E. and Mr. Wali Ul Maroof Matin (Bangladeshi national).

d. The registered address of the Company is 5th Floor, Chowdhary Centre, Dhaka - 1217, Bangladesh.

e. Authorised and issued share capital of the Company is AED 600,000 (equivalent to Bangladesh TK 10,000,000) divided into 10,000 shares of AED 60 each of which AED 6,000 (equivalent to Bangladesh TK 100,000) is paid up as at March 31, 2011 and held by the shareholders as follows:

Name of the shareholders	Nationality	No. ofShares	%	AmountAED
M/s. The Financial Technologies Middle East DMCC, Dubai - U.A.E.	U.A.E.	99	99%	5,940
Mr. Wali Ul Maroof Matin	Bangladeshi	1	1%	60
		100	**100%**	**6,000**

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

Reporting period

These financial statements represent the operating results of the Company for a period from April 01, 2012 to March 31, 2013.

Functional and presentation currency

These financial statements are presented in Arab Emirates Dirhams (AED).

A summary of the significant accounting policies applied in the preparation of these financial statements are set out below which are consistently applied for the year presented, unless otherwise stated.

a. Accounting convention

The financial statements have been prepared in accordance with historical cost convention basis.

b. Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing at the end of the reporting period. Gains and losses if any, arising are included in the profit or loss.

c. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash, balances with the bank and deposits with the banks maturing within 3 months from the date of deposit.

d. Financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favorable or an equity instrument, excluding investment in subsidiaries, associates or joint ventures. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavorable.

NOTES

to the financial statements for the year ended March 31, 2013

(In Arab Emirates Dirhams)

		March 31, 2013	March 31, 2012
3.	**CASH AT BANK**		
	Balance with bank - current account	5,040	5,790
4	**ACCUMULATED LOSS**		
	Balance - beginning of the year	(63,614)	(63,288)
	Net loss for the year	(750)	(326)
	Balance - end of the year	**(64,364)**	(63,614)
5	**SHAREHOLDERS' CURRENT ACCOUNT**		
	Balance - beginning of the year	22,082	22,082
	Net movements during the year	-	-
	Balance - end of the year	**22,082**	22,082

(In Arab Emirates Dirhams)

		Apr 01, 2012 to Mar 31, 2013	Apr 01, 2011 to Mar 31, 2012
6	**GENERAL AND ADMINISTRATIVE EXPENSES**		
	Miscellaneous expenses	750	750

7 FINANCIAL INSTRUMENTS

Financial instrument of the Company comprises of bank balance.

Fair values

At the end of the reporting period, the fair values of the Company's financial asset approximate their carrying values.

Risk management

Credit risk

Financial assets which potentially expose the Company to concentration of credit risk comprise principally bank account.

The Company's bank account is placed with high credit quality financial institutions.

Currency risk

At the end of the reporting period, the Company's exposure to the currency risk is related to following financial asset held in currencies other than functional currency and US Dollars

	Foreign currency	Equivalent to Arab Emirates Dirhams
Bank balance in BDT	130,643	5,040

Interest rate risk

The Company is not exposed to any significant interest rate risk at the end of the reporting period.

8 CONTINGENT LIABILITIES

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on Company's account as at the end of the reporting period.

9 COMPARATIVE AMOUNTS

Previous year's figues have not been regrouped/reclassified.

The financial statements were approved by the Board of Directors and signed on its behalf by:

Mr. Arshad Mohammed Khan
(Director)

Mr. Wali Ul Maroof Matin
(Director)

DIRECTORS' REPORT

Annual report

The directors have pleasure in submitting their report together with the audited financial statements of Global Board of Trade Ltd, the "Company" or "GBOT", for the year ended 31 March 2013.

Incorporation

The Company was incorporated in the Republic of Mauritius on 18 December 2006 under the Mauritius Companies Act 2001 and is a public company with liability limited by shares.

Principal activity

The principal activity of the Company is to operate a Multi-Asset Class Exchange in the Republic of Mauritius. The Exchange is the first pan-African derivatives exchange.

Results and dividends

The results for the year are as shown in Statements of Comprehensive Income for the year ended 31st March, 2013.

The directors do not recommend the payment of a dividend for the year under review (2012: Nil).

Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and the cash flows of the Company. The directors are also responsible for keeping accounting records which:

- correctly record and explain the transactions of the Company;
- disclose with reasonable accuracy at any time the financial position of the Company; and
- would enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

Directors' service contracts

Employment contracts which the Company has with its directors are done in accordance with the provisions of the Employment Rights Act 2008.

Directors' share interests

No shares are held by the directors in the Company.

Directors' remuneration and fees

Remuneration and fees received by the directors are shown below:

	2013 USD	2012 USD
Full time executive directors	233,412	262,028
Non-executive directors	93,400	51,000

Donations

The Company did not make any donations during the year under review (2012: Nil).

Significant contracts

No contracts of significance or loans existed during the year under review between the Company and its directors.

Auditors

The auditors, **Grant Thornton**, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

Fees payable/paid to the auditors are as follows:

	2013 USD	2012 USD
Audit services	6,460	6,989

Venkat Chary
Director

Ranapartab Tacouri
Director

Date: 9th May 2013

CERTIFICATE FROM THE SECRETARY

I certify, to the best of my knowledge and belief, that I have filed with the Registrar of Companies all such returns as are required of Global Board of Trade Ltd under the Mauritius Companies Act 2001, in terms of Section 66(d), during the financial year ended 31 March 2013.

Patrick Teddy Sattoovera, FCCA
Secretary

Registered address:
C/o Global Board of Trade Ltd
Ebene House
33 Cybercity
Ebene
Republic of Mauritius

Date : 09 May 2013

INDEPENDENT AUDITOR'S REPORT

To the member of Global Board Of Trade Ltd

Report on the Financial Statements

We have audited the accompanying financial statements of Global Board of Trade Ltd, the "Company", which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 15 to 37 give a true and fair view of the financial position of the Company as at 31 March 2013, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Report on Other Legal and Regulatory Requirements

(a) Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

(b) Financial Reporting Act 2004

We have reviewed the Statement of Compliance with the requirements of the Code of Corporate Governance, prepared by the Board of Directors of the Global Board of Trade Ltd.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Code of Corporate Governance.

Other Matters

This report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

Place: Ebene, Republic of Mauritius
Date: 09 May 2013

Y NUBEE, FCCA
Licensed by FRC

STATEMENT OF FINANCIAL POSITION
as at 31st March, 2013

	Notes	2013 USD	2012 USD
ASSETS			
Non-current			
Intangible assets	6	17,140,833	23,647,833
Property, plant and equipment	7	1,037,168	1,386,714
Investment in subsidiary	8	10,312	-
Deferred tax assets	18	7,715,976	4,041,895
Non-current assets		**25,904,289**	**29,076,442**
Current			
Receivables	9	1,851,043	1,781,485
Cash and cash equivalents	10	3,228,306	6,685,631
Current assets		**5,079,349**	**8,467,116**
Total assets		**30,983,638**	**37,543,558**
EQUITY AND LIABILITIES			
Equity			
Stated capital	11	52,000,000	52,000,000
Accumulated losses		(32,381,967)	(20,892,183)
Total equity		**19,618,033**	**31,107,817**
Liabilities			
Current			
Loans	12	10,000,000	5,000,000
Payables	13	1,365,605	1,435,741
Current liabilities		**11,365,605**	**6,435,741**
Total liabilities		**11,365,605**	**6,435,741**
Total equity and liabilities		**30,983,638**	**37,543,558**

Approved by the Board on 09 May 2013 and signed on its behalf by:

Venkat Chary	**Ranapartab Tacouri**
Director	Director

The note nos. 1 to 23 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31st March, 2013

	Notes	2013 USD	2012 USD
Income	14	111,975	39,297
Operating costs	17	(12,900,248)	(12,502,139)
Administrative expenses	17	(1,913,198)	(2,701,644)
Finance income	15.1	68,755	68,068
Finance costs	15.2	(475,833)	(86,215)
Other financial items	16	(55,316)	(75,684)
Loss before tax	**17**	**(15,163,865)**	**(15,258,317)**
Tax credit	18	3,674,081	2,288,060
Loss for the year		**(11,489,784)**	**(12,970,257)**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**(11,489,784)**	**(12,970,257)**
Loss per share	19	(1.15)	(1.30)

The note nos. 1 to 23 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31st March, 2013

	Share capital US$	Accumulated losses US$	Total US$
At 01 April 2012	**52,000,000**	**(20,892,183)**	**31,107,817**
Transactions with the shareholder	-	-	-
Loss for the year	-	(11,489,784)	(11,489,784)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(11,489,784)	(11,489,784)
At 31 March 2013	**52,000,000**	**(32,381,967)**	**19,618,033**
At 01 April 2011	**40,000,000**	**(7,921,926)**	**32,078,074**
Issue of shares	12,000,000	-	12,000,000
Transactions with the shareholder	12,000,000	-	12,000,000
Loss for the year	-	(12,970,257)	(12,970,257)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(12,970,257)	(12,970,257)
At 31 March 2012	**52,000,000**	**(20,892,183)**	**31,107,817**

The note nos. 1 to 23 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 31st March, 2013

	2013 USD	2012 USD
Operating activities		
Loss before tax	(15,163,865)	(15,258,317)
Adjustments for:		
Depreciation	316,659	383,182
Loss on disposal of property, plant and equipment	23,389	833
Amortisation of intangible assets	6,507,000	6,213,667
Interest income	(68,755)	(68,068)
Total adjustments	**6,778,293**	**6,529,614**
Net changes in working capital:		
Change in receivables	(69,558)	(1,062,001)
Change in payables	(80,448)	(1,417,402)
Total changes in working capital	(150,006)	(2,479,403)
Net cash used in operating activities	**(8,535,578)**	**(11,208,106)**
Investing activities		
Purchase of intangible assets	-	(4,800,000)
Proceeds from disposal of property , plant and equipment	9,498	2,287
Purchase of property, plant and equipment	-	(18,983)
Interest received	68,755	68,068
Net cash from/(used in) investing activities	**78,253**	**(4,748,628)**
Financing activities		
Loan from shareholder	5,000,000	5,000,000
Loan from ultimate holding company	-	5,000,000
Repayment of loan	-	(5,000,000)
Proceeds from issue of shares	-	12,000,000
Net cash from financing activities	**5,000,000**	**17,000,000**
Net change in cash and cash equivalents	(3,457,325)	1,043,266
Cash and cash equivalents, beginning of year	6,685,631	5,642,365
Cash and cash equivalents, end of year	**3,228,306**	**6,685,631**
Cash and cash equivalents made up of:		
Cash in hand and at bank (Note 10)	**3,228,306**	**6,685,631**

The note nos. 1 to 23 form an integral part of these financial statements.

NOTES

to financial statements for the year ended 31st March, 2013

1. General information and statement of compliance with IFRS

Global Board of Trade Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 18 December 2006 as a private company with liability limited by shares. The status of the Company changed from a private company to a public company on 31 January 2008. The Company's registered office is 1st Floor, Ebene House, 33 Cybercity, Ebene, Republic of Mauritius.

The principal activity of the Company is to operate a Multi-Asset Class Exchange in the Republic of Mauritius. The Company is licensed by the Financial Services Commission of Mauritius, the regulator for non-bank financial services sector.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IFRS 13	Fair Value Measurement
IFRS 12	Disclosure of Interests in Other Entities
IFRS 11	Joint Arrangements
IFRS 10	Consolidated Financial Statements
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
IAS 28	Investments in Associates and Joint Ventures (Revised 2011)
IAS 27	Separate Financial Statements (Revised 2011)
IAS 19	Employee Benefits (Revised 2011)
IFRS 9	Financial Instruments
IAS 1	Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)
IFRS 1	Government Loans (Amendments to IFRS 1)
IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

3. Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into loans and receivables.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets that are recognised in statement of comprehensive income are presented within finance costs, finance income or other financial items, except for impairment of receivables which is presented within administrative expenses.

NOTES

to financial statements for the year ended 31st March, 2013

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's most receivables and cash and cash equivalents fall into this category of financial instruments.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include loans and payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within 'finance income' or 'finance costs'.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.3 Investment in subsidiary

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity.

The Company does not present consolidated financial statements as it is itself a wholly-owned subsidiary (see Note 8). The investment in subsidiary is therefore shown at cost in these separate financial statements. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged in profit or loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

3.4 Foreign currency

Functional and presentation currency

The financial statements are presented in USD, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.5 Intangible assets

Intangible assets represent software licences for the Trading, Matching and Clearing Mechanism of the Multi-Asset Class Exchange (the "Exchange") and are amortised over their estimated useful lives of five years.

Acquired computer softwares are capitalised on the basis of the costs incurred to acquire and bring to use the specific softwares.

Costs associated with maintaining computer software programmes are expensed as incurred.

3.6 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. Property, plant and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual values. The following useful lives are applied:

Improvement to leasehold building	-	33%
Furniture and fittings	-	10%
Office equipment	-	10%
Computers and information system	-	16.21%
Motor vehicles	-	10%

No depreciation is charged on items of property, plant and equipment which are not yet in use and also on items not yet received and for which payments have already been made.

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to financial statements for the year ended 31st March, 2013

All repairs and maintenance are expensed.

Where the carrying amount of an asset is greater than its estimated amount, it is written down immediately to its recoverable amount. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each reporting date.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and at bank and demand deposits, together with other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.8 Equity and reserves

Stated capital represents the nominal values of shares that have been issued.

Accumulated losses include all the current and prior periods results.

3.9 Revenue recognition

Trading commission fees are recognised on the date of transaction in the market.

Admission fees collected from prospective members prior to joining the exchange are recognised as advances from members. Advances against membership application are only recognised as income when the application has been approved.

Invoices for annual fees are raised on a half yearly basis and is recorded on an accrual basis.

Interest income is recorded on the accrual basis unless collectibility is in doubt.

Dividend income is recognised when the right to receive payment is established.

3.10 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.11 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax, current tax and CSRF (Corporate Social Responsibility Fund) not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The Company is subject to Corporate Social Responsibility Fund (CSRF) and the contribution is at a rate of 2% on the chargeable income of the preceding financial year.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of building) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. All known risks at reporting date are reviewed in detail and provision is made where necessary.

3.13 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

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to financial statements for the year ended 31st March, 2013

3.14 Impairment of assets

At each reporting date the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.15 Leased assets

Operating leases

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

3.16 Employee benefits

Contributions to the National Pension Scheme and Medical Aid Scheme are expensed in the period in which they fall due.

3.17 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3.18 Significant management judgements in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

Recognition of deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax assets can be utilised.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Estimation uncertainty

Useful lives of depreciable assets

The management reviews the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. At 31 March 2013, management considered that the useful lives represent the expected utility of the assets of the Company. The carrying amounts are analysed in Notes 6 and 7. Actual results, however, may vary due to technical obsolescence, particularly the software and IT equipment.

4. Financial instrument risk

Risk management objectives and policies

The Company's is exposed to various risks in relation to financial risk instruments. The main types of risks are market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Company's risks are managed at the level of the Board of Directors with the assistance of line managers.

The most significant financial risks to which the Company is exposed are described below.

4.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from both its operating and investing activities.

Foreign currency sensitivity

The Company has financial assets and liabilities denominated in foreign currencies. However, the risk to any foreign exchange movement is minimal since the Company transacts mainly in USD.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to management translated into USD at the closing rate:

	Financial assets 2013	Financial liabilities 2013	Financial assets 2012	Financial liabilities 2012
	USD	USD	USD	USD
Mauritian Rupee (MUR)	419,238	188,624	340,545	105,730

NOTES

to financial statements for the year ended 31st March, 2013

The following table illustrates the sensitivity of loss and equity in regards to the Company's financial assets and financial liabilities and the MUR/USD exchange rate, "all other things being equal".

It assumes a 7% change of the MUR/USD exchange rate for the year ended 31 March 2013 (2012: MUR/USD 1%). This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the USD had strengthened against the MUR by 7% (2012: 1%) then this would have the following impact:

Loss for the year	2013 USD	2012 USD
MUR	16,865	2,348

Equity	2013 USD	2012 USD
MUR	(16,865)	(2,348)

If the USD had weakened against the MUR by 7% (2012: 1%) then this would have the following impact:

Loss for the year	2013 USD	2012 USD
MUR	(16,865)	(2,348)

Equity	2013 USD	2012 USD
MUR	16,865	2,348

Interest rate sensitivity

The Company has interest bearing financial assets in the form of cash and cash equivalents. The impact of changes in interest rates on the interest income derived from these cash and cash equivalents is not significant.

The Company's interest bearing financial liabilities are in the form of loan from its holding company and on which the interest is based on the market interest rates. A 0.25% increase/ (decrease) of interest rate would (decrease)/increase net loss for the year by USD 25,000 (2012: USD 12,500).

4.2 Credit risk analysis

Credit risk refers to the risk that counterparty will default on its obligations resulting in financial loss to the Company. The Company has, as far as it is practicable, significantly tightened its credit policy so as to deal with counterparties whom it believes are creditworthy in order to reduce the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2013 USD	2012 USD
Current assets		
Receivables	100,204	113,467
Cash and cash equivalents	3,228,306	6,685,631
Total	**3,328,510**	**6,799,098**

The Company does not have significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

The credit risk for the bank balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

4.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its liquidity needs by carefully monitoring its cash outflows due in day-to-day business.

NOTES
to financial statements for the year ended 31st March, 2013

The following are the contractual maturities of financial liabilities, including interest payments where applicable.

31 March 2013	Carrying amount USD	Contractual cash flows USD	Less than one year USD	1-5 years USD
Loan from holding company	10,000,000	10,600,000	10,600,000	-
Payables	261,518	261,518	261,518	-
Total	**10,261,518**	**10,861,518**	**10,861,518**	**-**

31 March 2012	Carrying amount USD	Contractual cash flows USD	Less than one year USD	1-5 years USD
Loan from holding company	5,000,000	5,237,238	5,237,238	-
Payables	208,456	208,456	208,456	-
Total	**5,208,456**	**5,445,694**	**5,445,694**	

5. **Capital management policies and procedures**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its member.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its member, buy back shares or issue new shares.

The Company monitors capital on the basis of the gearing ratio and at 31 March 2013, the Company was not geared.

6. **Intangible assets**

	Computer software USD
Cost	
At 01 April 2012 and at 31 March 2013	32,535,000
Amortisation	
At 01 April 2012	8,887,167
Charge for the year	6,507,000
At 31 March 2013	**15,394,167**
Net book values	
At 31 March 2013	**17,140,833**
Cost	
At 01 April 2011	27,735,000
Additions	4,800,000
At 31 March 2012	32,535,000
Amortisation	
At 01 April 2011	2,673,500
Charge for the year	6,213,667
At 31 March 2012	8,887,167
Net book values	
At 31 March 2012	**23,647,833**

NOTES

to financial statements for the year ended 31st March, 2013

7. Property, plant and equipment

	Improvement to leasehold building	Furniture & fittings	Office equipment	Computers and information system	Motor vehicles	Total
	USD	USD	USD	USD	USD	USD
Cost						
At 01 April 2012	398,536	212,303	492,323	1,467,833	56,972	2,627,967
Disposals	-	-	(226)	-	(56,972)	(57,198)
At 31 March 2013	**398,536**	**212,303**	**492,097**	**1,467,833**	**-**	**2,570,769**
Depreciation						
At 01 April 2012	391,009	72,185	134,255	621,494	22,310	1,241,253
Charge for the year	6,309	21,230	49,286	237,935	1,899	316,659
Disposals adjustment	-	-	(102)	-	(24,209)	(24,311)
At 31 March 2013	**397,318**	**93,415**	**183,439**	**859,429**	**-**	**1,533,601**
Net book values						
At 31 March 2013	**1,218**	**118,888**	**308,658**	**608,404**	**-**	**1,037,168**
Cost						
At 01 April 2011	398,536	212,125	494,064	1,450,121	58,890	2,613,736
Additions	-	178	928	17,877	-	18,983
Disposals	-	-	(2,669)	(165)	(1,918)	(4,752)
At 31 March 2012	**398,536**	**212,303**	**492,323**	**1,467,833**	**56,972**	**2,627,967**
Depreciation						
At 01 April 2011	321,590	50,951	85,835	384,151	17,176	859,703
Charge for the year	69,419	21,234	49,441	237,343	5,745	383,182
Disposals adjustment	-	-	(1,021)	-	(611)	(1,632)
At 31 March 2012	**391,009**	**72,185**	**134,255**	**621,494**	**22,310**	**1,241,253**
Net book values						
At 31 March 2012	**7,527**	**140,118**	**358,068**	**846,339**	**34,662**	**1,386,714**

8. Investment in subsidiary

8.1 At cost

	2013
	USD
Additions during the year and at 31 March	10,312

8.2 Details pertaining to the investment are as follows:

Name of investee company	Country of incorporation	Type of shares	% holding	2013 Cost
				USD
GBOT Clear Ltd	Republic of Mauritius	Ordinary shares	100	10,312

8.3 The Company has taken advantage of paragraph 10 of International Accounting Standard 27, Consolidated and Separate Financial Statements which dispenses it from the need to present consolidated financial statements as its holding company produces consolidated financial statements available for public use that comply with International Financial Reporting Standards. The registered address of the holding company is C/o Kross Border, St Louis Business Centre, Cnr Desroches/St Louis Streets, Port Louis, Republic of Mauritius.

8.4 The investment is stated at cost which is a reflection of the fair value.

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to financial statements for the year ended 31st March, 2013

9. Receivables	2013 USD	2012 USD
Due from related parties (Note below)	10,407	1,130
Deposits	50,364	75,325
Other receivables	39,433	37,012
Financial assets	**100,204**	**113,467**
Prepayments	1,330,826	1,305,208
Deposits	8,352	8,382
Other receivables	6,490	9,326
VAT recoverable	405,171	345,102
Non-financial assets	**1,750,839**	**1,668,018**
Total	**1,851,043**	**1,781,485**

The amounts due from the related parties are unsecured, interest free and receivable within one year.

The carrying amounts of receivables are considered to be a reasonable approximation of the fair values.

10. Cash and cash equivalents	2013 USD	2012 USD
Cash at bank:		
USD	2,882,842	6,426,611
MUR	344,121	257,187
Cash in hand	1,343	1,833
Total	**3,228,306**	**6,685,631**

Cash and cash equivalents of USD 1.5m have been pledged for bank credit facilities.

11. Equity

11.1 Stated capital

	2013		2012	
	Number	USD	Number	USD
Equity shares:				
Ordinary shares of USD 0.10 each	10,000,000	1,000,000	10,000,000	1,000,000
Optionally convertible preference shares:				
At 01 April	510,000,000	51,000,000	390,000,000	39,000,000
Issue of shares	-	-	120,000,000	12,000,000
At 31 March	**510,000,000**	**51,000,000**	**510,000,000**	**51,000,000**
Total	**520,000,000**	**52,000,000**	**520,000,000**	**52,000,000**

The terms and conditions of the Optionally Convertible Preference Shares (OCPS) are as follows:

- the shares will carry a fixed rate of 5 percent dividend and the dividend will be non-cumulative.
- the shares have no voting rights except on resolutions that affect their rights.
- no dividend will be paid to the ordinary shareholder unless the dividend is paid to the preference shareholder.
- the preference shareholder will have preference over the ordinary shareholder in the event of payment of capital/liquidation.
- no adjustment will be made for the preference shareholder in the event of any corporate actions, bonus and right issue.
- the preference shares shall be redeemed at the option of the OCPS holder and the redemption is within a period of 20 years of the allotment of the first OCPS (that is, within 20 years from 27 December 2006).
- the holder of the OCPS shall have the right to seek conversion of the OCPS at any time from the date of issue. Each OCPS will be redeemed at a premium of 10 percent on redemption. No premium will be payable to the holder of the OCPS on conversion of the OCPS into ordinary shares.
- The OCPS holder will give at least 15 days time to the Company for exercising the option of conversion/redemption.

12. Loans

	2013 USD	2012 USD
At 01 April	5,000,000	-
Funds received during the year	5,000,000	5,000,000
At 31 March	**10,000,000**	**5,000,000**

The loan from the holding company bears interest at the rate of 6% (2012: LIBOR +4.75%) per annum, is unsecured and repayable within one year.

NOTES

to financial statements for the year ended 31st March, 2013

13. Payables

	2013 USD	2012 USD
Other payables and accruals	261,518	208,456
Advance from prospective members (Note below)	170,988	224,737
Deposit from members (Note below)	933,099	1,002,548
Total	**1,365,605**	**1,435,741**

The average credit period is 30 days. No interest is charged on overdue balances. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The carrying amounts of payables are considered to be a reasonable approximation of the fair values.

The advance from prospective members relate to those members which have already paid admission fees to undertake membership on GBOT platform, however, their admission procedures are still in process.

The deposit from members relates to Settlement Guaranteed Fund which is refundable to the members and is as follows:

	2013 USD	2012 USD
Currency Segment	651,409	539,730
Commodity Segment	281,690	462,818
Total	**933,099**	**1,002,548**

These amounts are held by the Company in separate accounts with the three clearing banks.

		2013 USD	2012 USD
14.	**Income**		
	Income is made up of the following components:		
	Trading commission income	9,330	3,797
	Annual fees	42,645	-
	Membership admission fees	60,000	35,500
	Total	**111,975**	**39,297**
15.	**Finance income/ (cost)**		
	15.1 Finance income		
	Interest on fixed deposits	68,755	**68,068**
	15.2 Finance costs		
	Interest on loan	(475,833)	(86,215)
16.	**Other financial items**		
	Net foreign exchange losses	(55,316)	(79,505)
	Other income	-	3,821
	Total	**(55,316)**	**(75,684)**
17.	**Loss before tax**		
	The loss before tax is arrived at after charging:		
	Depreciation of property, plant and equipment	316,659	383,182
	Amortisation of intangible assets	6,507,000	6,213,667
	Net foreign exchange losses	55,316	79,505
	Other IT expenses	5,112,333	4,090,067
	Auditors remuneration	6,460	6,989
	Staff costs (Note (17.1) below)	1,555,860	2,548,250

NOTES

to financial statements for the year ended 31st March, 2013

	2013 USD	2012 USD
17.1 Analysis of staff costs:		
Salaries and allowances	1,528,268	2,510,341
Social security costs and other contributions	27,592	37,909
Total	**1,555,860**	**2,548,250**
Number of employees at end of the year	36	36

18. Taxation

18.1 Income tax expense

The Company is liable to income tax at the rate of 15% and at 31 March 2013, it had no income tax liability due to tax losses of USD 55,075,501 (2012: USD 41,904,438) carried forward. The Company is not subject to any Alternative Minimum Tax (AMT) at 31 March 2013.

The Company had no liability towards the CSRF as at 31 March 2013.

	2013 USD	2012 USD
Statement of comprehensive income		
Deferred tax movement	(3,674,081)	(2,288,060)
Tax credit	(3,674,081)	(2,288,060)
Statement of financial position		
Deferred tax assets	7,715,976	4,041,895

Income tax reconciliation

The tax credit on the Company's loss before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2013 USD	2012 USD
Loss before tax	(15,163,865)	(15,258,317)
Tax at 15%	(2,274,580)	(2,288,748)
Non-allowable expenses	1,027,057	991,101
Annual allowances	(728,137)	(1,447,261)
Deferred tax on accelerated capital allowances	(1,698,421)	456,848
Tax credit	(3,674,081)	(2,288,060)

18.2 Deferred tax assets

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 15%.

	2013 USD	2012 USD
At 01 April	(4,041,895)	(1,753,835)
Movement during the year	(3,674,081)	(2,288,060)
At 31 March	**(7,715,976)**	**(4,041,895)**

The deferred tax assets are made up of:

	2013 USD	2012 USD
Accelerated capital allowances	(1,698,421)	456,848
Unutilised tax losses	(1,975,660)	(2,744,908)
Tax credit	**(3,674,081)**	**(2,288,060)**

NOTES

to financial statements for the year ended 31st March, 2013

19. Loss per share

The calculation of loss per share is based on the loss for the year of USD 11,489,784 (2012: USD 12,970,257) and on 10,000,000 ordinary shares in issue and ranking for dividend for the two years ended 31 March 2013.

20. Operating lease agreements

Leasing agreements

Operating leases relate to office and accommodation facilities with lease terms of 1 to 3 years renewable at the option of the lessee. The operating lease contracts contain market review clauses in the event that the Company exercises its option to renew. The Company does not have an option to purchase the leased assets at the expiry of the lease period.

20.1 Payments recognised as an expense

	2013 USD	2012 USD
Minimum lease payments	216,850	297,722

Rental expenses amounting USD 6,591 (2012: USD 25,242) have been included in salaries and allowances as they represent staff benefits.

20.2 Operating lease commitments

	2013 USD	2012 USD
Not longer than 1 year	176,958	232,205
Longer than 1 year and not longer than 5 years	-	177,900
	176,958	**410,105**

21. Related party transactions

During the year ended 31 March 2013, the Company had transactions with its related parties. The nature, volume of transactions and balances are as follows:-

Nature of relationship	Nature of transactions	Volume of transactions USD	Debit/(credit) balances at 31 March 2013 USD	Debit/(credit) balances at 31 March 2012 USD
Subsidiary	Financing	8,529	8,529	-
Group company	Reimbursement of expenses	748	1,878	1,130
Group company	Consultancy fees	65,157	(65,157)	-
Holding company	Loan	5,000,000	(10,000,000)	(5,000,000)
Holding company	Interest payable	23,289	-	(23,289)
Holding company	Interest expense	475,833	-	-
Ultimate holding company	Software support	38,682	-	-
Ultimate holding company	Maintenance costs of software	4,870,966	-	-
Ultimate holding company	Business development costs	14,841	-	-
Ultimate holding company	Travelling & conveyance	25,674	-	-
Key management personnel	Short-term benefits	169,907	-	-
Key management personnel	Termination benefits	4,116	(4,116)	-
Key management personnel	Sale of motor vehicle	32,758	-	-

The terms and conditions are as shown in Notes 9 and 12 to the financial statements.

22. Capital commitments

	2013 USD	2012 USD
Authorised and contracted	-	85,710

23. Holding and ultimate holding companies

The directors regard FT Group Investments Pvt. Ltd, a company incorporated in the Republic of Mauritius, as the Company's immediate holding company and Financial Technologies (India) Limited, a listed company incorporated in the Republic of India, as the Company's ultimate holding company.

BALANCE SHEET (unaudited)

as at 31st March 2013

(USD)

	2013
Current Assets	
Receivables	10,312
Total assets	**10,312**
EQUITY AND LIABILITIES	
Capital and reserves	
Stated capital	10,312
Losses (formation cost + licences)	(8,529)
	1,783
Current liabilities	
Payables	8,529
Total equity and liabilities	**10,312**

INCOME STATEMENT (unaudited)

Period ended 31st March 2013

(USD)

	2013
Turnover	-
Administrative expenses	(8,689)
	(8,689)
Other financial result	160
Profit before net finance income/(charges)	(8,529)
Net finance income/charges	-
Profit before tax	(8,529)
Income tax	-
Profit after tax	**(8,529)**

DIRECTORS' REPORT
for the year ended 31 March 2013

In accordance with the Bahrain Commercial Companies Law 2001, I have pleasure in presenting the audited consolidated financial statements of Bahrain Financial Exchange BSC (c) ("the Company") and its subsidiary (together "the Group") (pages 3 to 18) for the year ended 31 March 2013.

Bahraini dinars

Financial highlights	Year ended 31st March 2013	Year ended 31st March 2012
Total income	52,952	95,439
Total comprehensive income for the year	(6,812,466)	(3,728,544)
Total equity	**3,308,170**	**10,120,636**

Representations and audit

The Group's activities for the year ended 31 March 2013 have been conducted in accordance with the Bahrain Commercial Companies Law 2001 and other relevant statutes of the Kingdom of Bahrain.

There have been no events subsequent to 31 March 2013, which would in any way invalidate the consolidated financial statements on pages 3 to 18.

The Group has maintained proper, complete accounting records and these, together with all other information and explanations, have been made freely available to the auditors, KPMG Fakhro, who have expressed their willingness to continue as auditors for the next accounting year.

Arshad Khan
Chief Executive Officer and Managing Director

28 May 2013

INDEPENDENT AUDITOR'S REPORT

to the shareholders

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Bahrain Financial Exchange BSC (c) ("the Company") and its subsidiary (together the "Group"), which comprise the consolidated statement of financial position as at 31 March 2013, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Responsibility of the board of directors for the consolidated financial statements

The board of directors of the Company is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2013, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes that the Company incurred a net loss of BD 6,812,466 during the year ended 31 March 2013 and, as of that date, the Company's accumulated losses were BD 15,494,147. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management plan to address these conditions is set out in Notice 1.

Report on other regulatory requirements

As required by the Bahrain Commercial Companies Law and the Central Bank of Bahrain (CBB) Rule Book (Volume 6), we report that the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith; the financial information contained in the directors' report is consistent with the consolidated financial statements; we are not aware of any violations of the Bahrain Commercial Companies Law, the Central Bank of Bahrain and Financial Institutions Law, the CBB Rule Book (Volume 6 and CBB directives), the CBB Capital Markets Regulations and associated resolutions, or the terms of the Company's memorandum and articles of association having occurred during the year that might have had a material adverse effect on the business of the Company or on its financial position; and satisfactory explanations and information have been provided to us by the management in response to all our requests.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31st March, 2013

Bahraini dinars

	Note	31st March 2013	31st March 2012
ASSETS			
Non - current assets			
Property and equipment	4	7,583,584	10,136,866
Total non - current assets		**7,583,584**	**10,136,866**
Current assets			
Cash and cash equivalents	5	2,860,957	2,084,264
Other assets	6	244,906	100,410
Total current assets		**3,105,863**	**2,184,674**
Total assets		**10,689,447**	**12,321,540**
EQUITY & LIABILITIES			
Equity			
Share capital	7	18,800,000	18,800,000
Accumulated losses		(15,494,147)	(8,682,494)
Total equity attributable to equity holders of the Company		**3,305,853**	**10,117,506**
Non-controlling interest		**2,317**	**3,130**
Total equity (page 5)		**3,308,170**	**10,120,636**
Liabilities			
Non - current liabilities			
Provision for employees' benefits	9	52,204	32,381
Total non - current liabilities		**52,204**	**32,381**
Current liabilities			
Due to related parties	8	4,700,000	1,504,000
Other payables and accruals	10	2,629,073	664,523
Total current liabilities		**7,329,073**	**2,168,523**
Total liabilities		**7,381,277**	**2,200,904**
Total equity and liabilities		**10,689,447**	**12,321,540**

The consolidated financial statements were approved by the Board of Directors on 28 May 2013 and signed on its behalf by:

For and on behalf of the Board of Directors

Place : Kingdom of Bahrain
Date : 28 May 2013

Arshad Khan
Chief Executive Officer and Managing Director

Joseph Massey
Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31st March, 2013

Bahraini dinars

	Note	31st March 2013	31st March 2012
Membership fees		20,680	28,220
Income from training academy		11,751	57,037
Processing fees		94	75
Other income		20,427	10,107
Total income		**52,952**	**95,439**
Staff costs	11	(831,394)	(893,712)
Rent	12	(243,449)	(238,568)
Depreciation	4	(2,551,545)	(2,242,610)
Other operating expenses	13	(3,239,030)	(449,093)
Loss for the year		**(6,812,466)**	**(3,728,544)**
Other comprehensive income for the year		**-**	**-**
Total comprehensive income for the year		**(6,812,466)**	**(3,728,544)**
Total comprehensive income attributable to:			
Equity holders of the Company		(6,811,653)	(3,728,253)
Non-controlling interest (page 5)		(813)	(291)
Total comprehensive income for the year		**(6,812,466)**	**(3,728,544)**

The consolidated financial statements were approved by the Board of Directors on 28 May 2013 and signed on its behalf by:

For and on behalf of the Board of Directors

Place : Kingdom of Bahrain
Date : 28 May 2013

Arshad Khan
Chief Executive Officer and Managing Director

Joseph Massey
Director

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
for the year ended 31st March, 2013

Bahraini dinars

	Equity attributable to equity holders of the Company				
2013	**Share capital**	**Accumulated losses**	**Total**	**Non-controlling interest**	**Total**
As at 1 April 2012	18,800,000	(8,682,494)	10,117,506	3,130	10,120,636
Total comprehensive income for the year	-	(6,811,653)	(6,811,653)	(813)	(6,812,466)
At 31 March 2013	**18,800,000**	**(15,494,147)**	**3,305,853**	**2,317**	**3,308,170**

	Equity attributable to equity holders of the Company				
2012	**Share capital**	**Accumulated losses**	**Total**	**Non-controlling interest**	**Total**
As at 1 April 2011	14,100,000	(4,954,241)	9,145,759	3,421	9,149,180
Total comprehensive income for the year	-	(3,728,253)	(3,728,253)	(291)	(3,728,544)
Preference shares converted into share capital	4,700,000	-	4,700,000	-	4,700,000
At 31 March 2012	**18,800,000**	**(8,682,494)**	**10,117,506**	**3,130**	**10,120,636**

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31st March, 2013

Bahraini dinars

	31st March 2013	31st March 2012
CASH FLOWS FROM OPERATING ACTVITIES		
Payments for staff costs	(800,360)	(933,848)
Payments for rent	(243,449)	(238,568)
Other (payments)/receipts	(1,430,187)	1,021,228
Income from membership and processing fees	20,774	28,295
Income from training courses	11,751	57,037
Other income received	17,180	5,459
Net cash used in operating activities	**(2,424,291)**	**(60,397)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Income received from short term deposits with bank	3,247	4,648
Sale/(acquisition) of property and equipment, net	1,738	(1,504,001)
Net cash from/(used in) investing activities	**4,985**	**(1,499,353)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from related party, net	3,196,000	1,504,000
Net cash from financing activities	**3,196,000**	**1,504,000**
Net increase/(decrease) in cash and cash equivalents	776,694	(55,750)
Cash and cash equivalents at beginning of the year	2,084,264	2,140,014
Cash and cash equivalents at 31 March	**2,860,957**	**2,084,264**

NOTES

to the consolidated financial statements for the year ended 31 March 2013

1 STATUS AND OPERATIONS

Bahrain Financial Exchange BSC (c) ("BFX" or "the Company") was established on 18 September 2008 as a Bahraini closed shareholding company and registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain on 18 September 2008 with commercial registration number 69910. The registered office of the Company is in the Kingdom of Bahrain.

On 18 October 2010, the Central Bank of Bahrain issued a license to the Company to operate as an exchange in Kingdom of Bahrain. The principal activity of the Company is to own and operate exchange markets and clearing and settlement corporations.

The consolidated financial statements for the year ended 31 March 2013 comprise the financial statements of the Company, and its subsidiary - BFX Clearing Depository Corporation BSC (c) (BCDC) (together "the Group").

As reported on page 5, the Company has a loss of BD 6,812,466 for the year ended 31 March 2013 (31 March 2012: BD 3,728,544) and the accumulated losses at 31 March 2013 amount to BD 15,494,147 (31 March 2012: BD 8,682,494) which has resulted in significant reduction of the equity. This is the first year of full scope of operation of the Company and the Company expects to improve the performance going forward. The nature of activities carried out by the Company revolves around exchange which normally takes 4 to 5 years to achieve a recognizable scale, size and profitability. However, the shareholders have been supporting the Company in the past and have confirmed their continuous support to the Company in future including injection of additional capital when required. Accordingly, these consolidated statements have been presented on the basis of a going concern.

2 BASIS OF PREPARATION

a) Statement of compliance

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS") and requirements of the Bahrain Commercial Companies Law 2001.

b) Basis of measurement

The consolidated financial statements have been drawn up from the accounting records of the Company under the historical cost convention.

c) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Bahraini Dinars ("BHD"), which is the Group's functional and presentation currency. All financial information presented in Bahraini Dinars has been rounded to the nearest Dinars.

d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. The estimates and underlying assumptions are reviewed on an ongoing basis based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period or in the period of the revision and any future period, if the revision affects both current and future periods.

(i) Useful life and residual value of property and equipment

The Group reviews the useful life and residual value of the property and equipment at each reporting date to determine whether an adjustment to the useful life and residual value is required. The useful life and residual value is estimated based on the similar assets of the industry, and future economic benefit expectations of the management.

e) New Standards, amendments and interpretations effective on or after 1 January 2012

IFRS 7 (amendment) – Disclosures: Transfer of financial assets

The amendments to IFRS 7 introduce new disclosure requirements about transfers of financial assets including disclosures for financial assets that are not derecognised in their entirety; and financial assets that are derecognised in their entirety but for which the entity retains continuing involvement.

The adoption this amendment had no significant impact on the consolidated financial statements.

f) Standard and interpretations issued but not yet effective

The following standards and interpretations have been issued and are expected to be relevant to the Group but not yet effective for the year ended 31 March 2013.

(i) IAS 1 (amendment) - Presentation of items of other comprehensive income

The amendments to IAS 1 require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendment is effective for annual periods beginning on or after 1 July 2012.

NOTES

to the consolidated financial statements for the year ended 31 March 2013

The Company is not expecting a significant impact from the adoption of this amendment.

(ii) Amendments to IFRS 7 and IAS 32 on offsetting financial assets and financial liabilities (2011)

Disclosures – Offsetting Financial Assets and Financial Liabilities (amendments to IFRS 7) introduces disclosures about the impact of netting arrangements on an entity's financial position. The amendments are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. Based on the new disclosure requirements the Group will have to provide information about what amounts have been offset in the statement of financial position and the nature and extent of rights of set off under master netting arrangements or similar arrangements.

Offsetting Financial Assets and Financial Liabilities (amendments to IAS 32) clarify the offsetting criteria IAS 32 by explaining when an entity currently has a legally enforceable right to set off and when gross settlement is equivalent to net settlement. The amendments are effective for annual periods beginning on or after 1 January 2014 and interim periods within those annual periods. Earlier application is permitted. The Group is not expecting a significant impact from the adoption of these amendments.

(iii) IFRS 9 - Financial Instruments

IFRS 9 was issued in November 2009 and amended in October 2010 and replaces those parts of IAS 39 relating to the classification and measurement of financial assets and financial liabilities. IFRS 9 is effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The IASB decided to consider making limited amendments to IFRS 9 to address practice and other issues. The adoption of this standard is not expected to have a significant impact on the Group.

(iv) IFRS 10 - Consolidated financial statements and IAS 27 Separate Financial Statements (2011)

IFRS 10 introduces a single control model to determine whether an investee should be consolidated. As a result, the Group may need to change its consolidation conclusion in respect of its investees, which may lead to changes in the current accounting for these investees. Refer Note 3 (a). The standard is effective for annual periods beginning on or after 1 January 2013.

The IASB published Investment Entities (Amendments to IFRS 10 and IFRS 12), which grants certain relief from consolidation to investment entities. It requires qualifying investment entities to account for investment in controlled investees on a fair value basis. The effective date is annual periods beginning on or after 1 January 2014, but early adoption is permitted to enable alignment with the adoption of IFRS 10 and IFRS 12.

(v) Improvements to IFRSs (2011)

Improvements to IFRS issued in 2011 contained numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes to presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. The Group does not expect significant changes to the current accounting policies as a result of these amendments.

g) Early adoption of standards

The Group has not early-adopted new or amended standards in year ended 31 March 2013.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been consistently applied and are consistent with those of prior years.

a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are enterprises controlled by the Group. Control exists when the Group has power, directly or indirectly, to govern financial and operating policies of an enterprise so as to obtain economic benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Property and equipment

(i) Owned assets

Items of property, plant and equipment held for use in the provision of service, or for administrative purposes on a continuing basis and not intended for sale in the ordinary course of business, are carried at cost less accumulated depreciation and impairment losses, if any. Cost includes all costs directly attributable in bringing the asset to its working condition for its intended use.

NOTES

to the consolidated financial statements for the year ended 31 March 2013

(ii) Subsequent expenditure

Subsequent costs are included in the assets carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

(iii) Depreciation

Depreciation is calculated on cost by the straight-line method at annual rates, which are intended to write off the cost of the items of property and equipment over the estimated useful life of 5 years.

The assets residual values and useful lives are reviewed, and revised if appropriate, at each reporting date. All depreciation is charged to the consolidated profit or loss.

When an asset is sold or otherwise retired, the cost and related accumulated depreciation are removed and any resultant gain or loss is taken to the consolidated profit or loss.

The estimated useful working lives of the assets are periodically reviewed by the management.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and short term deposits with banks with original maturity year of 3 months or less.

d) Provision

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

e) Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the year of the lease.

f) Income from deposits with bank

Income from deposits with bank is recognised on a time-apportioned basis.

g) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Bahraini Dinars at foreign exchange rate prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

h) Employees' end of service benefits

Pension rights (and other social benefits) for Bahraini employees are covered by Social Insurance Organization scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Group's share of contributions to scheme, which is defined contribution scheme under IAS 19 – Employee Benefits, is recognised as expense in the profit or loss.

Expatriate employees are entitled to leaving indemnities payable under the Bahraini Labour Law for the Private Sector 2012, based on length of service and final remuneration. Provision for this, which is unfunded, and which represents a defined benefit plan under IAS 19 – Employee Benefits, has been made by calculating the notional liability had all employees left at the reporting date. The charge for the year is recognised as an expense in the profit or loss.

i) Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. All impairment losses are recognised in the profit or loss.

j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

k) Statutory reserve

The Bahrain Commercial Companies Law 2001 requires that 10 percent of the annual net profit be appropriated to a statutory reserve which is normally distributable only on dissolution. Appropriations may cease when the reserve reaches 50 percent of the paid up share capital.

NOTES

to the consolidated financial statements for the year ended 31 March 2013

4 PROPERTY AND EQUIPMENT

Bahraini dinars

	Furniture & fixture	Computer & other equipment	Software & licenses	Total 2013	Total 2012
Cost					
At 1 April	491,647	510,223	11,733,289	12,735,159	10,479,159
Additions	-	-	-	-	2,256,000
Disposals	**-**	**(2,928)**	**-**	**(2,928)**	**-**
At 31 March	**491,647**	**507,295**	**11,733,289**	**12,732,231**	**12,735,159**
Depreciation					
At 1 April	241,616	141,111	2,215,566	2,598,293	355,683
Charge for the year	103,813	101,072	2,346,660	2,551,545	2,242,610
Disposals	-	(1,191)	-	(1,191)	-
At 31 March	**345,429**	**240,992**	**4,562,226**	**5,148,647**	**2,598,293**
Net book value at					
31 March 2013	**146,218**	**266,303**	**7,171,063**	**7,583,584**	**-**
31 March 2012	**250,031**	**369,112**	**9,517,723**	**-**	**10,136,866**

Bahraini dinars

5. CASH AND CASH EQUIVALENTS	**2013**	**2012**
Bank balances	2,399,738	1,321,264
Short term deposits with a bank	459,208	760,512
Cash on hand	2011	2,488
	2,860,957	**2,084,264**
6. OTHER ASSETS		
Prepayments	168,819	29,021
Rent deposit	55,786	55,786
Other receivables	20,301	15,603
	244,906	**100,410**
7. SHARE CAPITAL		
Authorised share capital		
Number of shares	50,000,000	50,000,000
Amount at BD 0.376 (USD 1 each)	**18,800,000**	**18,800,000**
Issued and paid-up		
Number of shares – equity	50,000,000	50,000,000
Amount at BD 0.376 (USD 1 each)	**18,800,000**	**18,800,000**

Additional information on shareholding pattern

(i) Distribution schedule of equity shares, setting out the holders and percentage as follow:

	Nationality	No. of shares	% holding
Financial Technologies Middle East DMCC	UAE	6,487,500	13%
FT Group Investments Private Limited	Mauritius	43,512,500	87%
At 31 March 2013		**50,000,000**	**100 %**

(ii) The Group's ordinary shares have equal voting rights.

The ultimate parent of the Group is Financial Technologies (India) Limited, incorporated in India.

NOTES

to the consolidated financial statements for the year ended 31 March 2013

8 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Receivables from other related parties pertain to sale of goods and services rendered to companies in which shareholders have a controlling interest and these transactions are on commercial terms.

a) Significant outstanding balances and payments with/to related parties

Bahraini dinars

	2013	2012
Due to FT Group Investments Private Limited for loan	4,700,000	1,504,000
Payments to related parties (ultimate parent)	1,961,356	58,087

b) Transactions with key management personnel

Key management personnel of the Group comprise the Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group. The key management personnel compensation is as follows:

Bahraini dinars

	2013	2012
Salaries and other short-term benefits	130,476	124,773
Post employment benefits	16,864	11,013

Bahraini dinars

		2013	2012
9.	**PROVISION FOR EMPLOYEES' BENEFITS**		
	At 1 April	32,381	38,927
	Charge for the year	28,388	36,275
	Payment during the year	(8,565)	(42,821)
	At 31 March	**52,204**	**32,381**
10.	**OTHER PAYABLES AND ACCRUALS**		
	Margin money from members	2,307,317	488,800
	Staff leave provision	55,810	44,599
	Accruals	197,740	65,200
	Other payables	68,206	65,924
		2,629,073	**664,524**
11.	**STAFF COST**		
	Salaries, benefits and allowances	778,684	834,922
	SIO contribution	42,224	45,129
	Recruitment costs	3,285	8,873
	Others	7,201	4,788
		831,394	**893,712**

12 OPERATING LEASES

The Group entered into a non-cancellable operating lease contract whereby it would lease out office space till 19 November 2013. The future aggregate minimum lease commitments on operating leases are as follows:

Bahraini dinars

	2013	2012
Minimum lease payment recognized as an expense during the year	230,158	230,158
Future minimum lease payments:		
- Less than 1 year	146,406	230,158
- 2 to 4 years	-	146,406
	146,406	**376,564**

The lease payments includes a service charge of BD 30,020 per annum and has been included under rent expenses in the profit or loss.

NOTES

to the consolidated financial statements for the year ended 31 March 2013

13 OTHER OPERATING EXPENSES

Other operating expenses include BD 1,784,812 which represents annual maintenance fees for the exchange software, payable based on a contract with the ultimate parent (31 March 2012: Nil).

14 FINANCIAL RISK MANAGEMENT

a) Overview

Financial instruments include financial assets and financial liabilities. Financial assets of the Group consist of cash and cash equivalents and other assets. Financial liabilities of the Group include other payables and accruals and due to related parties.

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

b) Credit risk

Credit risk is the risk of financial loss to the Group if counterparty to a financial instrument fails to meet its contractual obligations, and arises from the Group's bank balances.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Bahraini dinars

	2013	2012
Bank balances	2,399,738	1,321,264
Short term deposits with bank	459,208	760,512
	2,858,946	**2,081,776**

(ii) Bank balances and short term deposits

The Group's credit risk on these is limited as these are placed with banks in Bahrain having good credit ratings.

c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Margin money from members represents deposit by member and are payable on demand depending on the trading authorities.

All other financial liabilities are payable within one year and are not materially different from their carrying values.

d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments.

The Group has no significant exposure to interest rate risk or foreign currency risk as at 31 March 2013 or 31 March 2012.

e) Capital management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns benefits to the shareholders
- to provide an adequate return to shareholders by pricing goods commensurately with the level of risk

The Group is not subject to externally imposed capital requirements.

f) Fair values

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The estimated fair values of the Group's financial instruments are not significantly different from their carrying values.

All financial assets are classified as loans and receivables and financial liabilities are classified as others at amortized cost.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

Annual Financial Statements for the year ended 31 March 2013

The directors are required in terms of the Companies Act (Cap 42:01) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of Its operations and cash flows for the period then ended, in conformity with international Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements. The external auditors are engaged to express an Independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework. effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk These controls are monitor-ed throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that In all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing. managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated. the company endeavours to minimise it by ensuring that appropriate infrastructure. controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The directors are of the opinion. based on the information and explanations given by management. that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However. any system of internal financial control can provide only reasonable, can not absolute, assurance against material misstatement or loss.

The directors have reviewed the prospects and strategy of the company and in the light of this review. are confident that the company will continue to be supported operationally and financially by its ultimate holding company.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements The annual financial statements have been examined by the company's external auditors and their report is presented on page 4.

The annual financial statements set out. on pages 5 to 26, which have been prepared on the going concern basis, were approved by the board on 14 MAY 2013 and were single on its behalf by:

Christopher Goromonzi	**Abdool Rahim Khan**
Director	Director

INDEPENDENT AUDITORS' REPORT

To the shareholders of Bourse Africa Limited

We have audited the accompanying annual financial statements of Bourse Africa Limited, which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 25.

Directors' Responsibility for the Annual Financial Statements

The company's directors a re responsible for the preparation and fair presentation of these annual financial statements in

accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements give a true and fair view of, the financial position of Bourse Africa Limited as at 31 March 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Chartered Accountants
Certified Auditor: Mr. Madhavan Venkatachary (Memb No: 20030049)

Place : Gaborone
Date : 17 May 2013

DIRECTORS' REPORT

The directors submit their report for the year ended 31 March 2013.

1. **Incorporation**

   The company was incorporated on 12 September 2007 and obtained its certificate to commence business on the same day.

2. **Review of activities**

   Main business and operations

   The company is engaged in commodity trading and operates principally in Botswana and South Africa.

   The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

3. **Events after the reporting period**

   The directors are not aware of any matter or circumstance arising since the end of the financial year.

4. **Dividends**

   No dividends were declared or paid to shareholder during the year.

5. **DIRECTORS**

   The directors of the company during the year and to the date of this report are as follows:

   Name

   Christopher Goromonzi

   Abdool Rahim Khan

   Lamon Rutten

   Jignesh Shah

   Joseph Massey

   Shreekant Yadav Javalgekar

   Paras Kishorkumar Ajmera

6. **SECRETARY**

   The secretary of the company is DPS Consulting Services (Proprietary) Limited.

7. **HOLDING COMPANY**

   The company's holding company is FT Group Investments Private Limited incorporated in Mauritius.

8. **ULTIMATE HOLDING COMPANY**

   The company's ultimate holding company is Financial Technologies India Limited incorporated in India.

9. **AUDITORS**

   Grant Thornton will continue in office in accordance with section 195 of the Companies Act.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2013

(in $)

	Note No.	31st March 2013	31st March 2012
Assets			
Non-Current Assets			
Property, plant and equipment	3	204 783	42 680
Investments in subsidiaries	4	73 380	73 325
		278 163	**116 005**
Current Assets			
Other receivables	9	167 586	81 766
Advances and prepayments	8	30 750 000	26 500 000
Cash and cash equivalents	10	119 519	2 725 617
		31 037 105	**29 307 383**
Total Assets		**31 315 268**	**29 423 388**
Equity and Liabilities			
Equity			
Stated capital	11	35 020 000	35 020 000
Accumulated loss		(8 163 421)	(5 723 162)
		26 856 579	**29 296 838**
Liabilities			
Current Liabilities			
Loans from related companies	5	4 200 000	-
Operating lease liability	7	22 927	18 179
Other payables	12	235 762	108 371
		4 458 689	**126 550**
Total Equity and Liabilities		**31 315 268**	**29 423 388**

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2013

(in $)

	Note No.	2013	2012
Operating expenses		(2 301 367)	(1 466 255)
Operating loss	14	**(2 301 367)**	**(1 466 255)**
Finance income	15	1 737	-
Finance costs	16	(140 629)	(122 852)
Total comprehensive loss for the year		**(2 440 259)**	**(1 589 107)**

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2013

(in $)

	Stated capital	Accumulated l oss	Total equity
Balance at 01 April 2011	20 000	(4 134 055)	(4 114 055)
Total comprehensive Loss for the year	-	(1 589 107)	(1 589 107)
Issue of shares	35 000 000	-	35 000 000
Total contributions by and distributions to owners of company recognised directly in equity	35 000 000	-	35 000 000
Balance at 01 April 2012	35 020 000	(5 723 162)	29 296 838
Total comprehensive Loss for the year	-	(2 440 259)	(2 440 259)
Balance at 31 March 2013	35 020 000	(8 163 421)	26 856 579
Note	11		

STATEMENT OF CASH FLOWS

for the year ended 31 March 2013

(in $)

	Note No.	2013	2012
Cash flows from operating activities			
Cash used in operations	19	(2 216 636)	(1 500 394)
Finance income		1 737	-
Finance costs		(140 629)	(122 852)
Net cash from operating activities		**(2 355 528)**	**(1 623 246)**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(200 515)	(5 822)
Advances towards purchase of intangible assets		(4 250 000)	(26 500 000)
Movement in investments (incl subs, JVs & Assoc)	20	(55)	-
Loans from group companies received		4 200 000	-
Loans from group companies repaid		-	(4 272 886)
Net cash from investing activities		**(250 570)**	**(30 778 708)**
Cash flows from financing activities			
Proceeds on share issue	11	-	35 000 000
Total cash movement for the year		**(2 606 098)**	**2 598 046**
Cash at the beginning of the year		2 725 617	127 571
Total cash at end of the year	10	**119 519**	**2 725 617**

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value and incorporate the principal accounting policies set out below. They are presented in US Dollars.

These accounting policies are consistent with the previous period.

1.1 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

OTHER RECEIVABLES

The company assesses its other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for other receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

FAIR VALUE ESTIMATION

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

IMPAIRMENT TESTING

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption by management may change which may then impact our estimations and may then require a material adjustment to the carrying value of assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply demand, together with economic factors such as exchange rates, inflation and interest.

TAXATION

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

USEFUL LIFE AND RESIDUAL VALUE OF PROPERTY, PLANT AND EQUIPMENT

The estimates of useful lives as translated into depreciation rates are detailed in property, plant and equipment policy on the annual financial statements. These rates and residual lives of the assets are reviewed annually taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments in the industry.

1.2 PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably. Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

ACCOUNTING POLICIES

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	AVERAGE USEFUL LIFE
Leasehold improvement	over the lease period
Furniture and fixtures	10 years
Motor vehicles	4 years
Office equipment	6.67 years Computer
equipment	4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.4 FINANCIAL INSTRUMENTS

CLASSIFICATION

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

INITIAL RECOGNITION AND MEASUREMENT

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments. The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

LOANS TO (FROM) GROUP COMPANIES

These include loans to and from holding companies and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

OTHER PAYABLES

Other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 TAX

ACCOUNTING POLICIES

CURRENT TAX ASSETS AND LIABILITIES

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates that have been enacted by the end of the reporting period.

TAX EXPENSES

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

OPERATING LEASES – LESSEE

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.7 IMPAIRMENT OF ASSETS

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss.

1.8 STATED CAPITAL

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.9 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.10 TRANSLATION OF FOREIGN CURRENCIES

FOREIGN CURRENCY TRANSACTIONS

A foreign currency transaction is recorded, on initial recognition in US Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

ACCOUNTING POLICIES

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non - monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non - monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in US Dollars by applying to the foreign currency amount the exchange rate between the US Dollars and the foreign currency at the date of the cash flow.

INVESTMENTS IN SUBSIDIARIES

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

If significant, exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

NOTES

to the Annual Financial Statements

2. NEW STANDARDS AND INTERPRETATIONS

At the date of approval of these annual financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published.

Management anticipates that all relevant pronouncements will be adopted in the entity's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the entity's financial statements.

2.1 STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS 7 AMENDMENTS TO IFRS 7 DISCLOSURES – TRANSFERS OF FINANCIAL ASSETS

Amended the required disclosures to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity’s financial position.

The effective date of the amendment is for years beginning on or after 01 July 2011.

The company has adopted the amendment for the first time in the 2013 annual financial statements.

The impact of the amendment is not material.

2.2 STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company’s accounting periods beginning on or after 01 April 2013 or later periods:

IFRS 9 FINANCIAL INSTRUMENTS

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is for years beginning on or after January 1, 2015.

The company expects to adopt the standard for the first time in the 2014 annual financial statements.

It is unlikely that the standard will have a material impact on the company's annual financial statements.

NOTES
to the Annual Financial Statements

IFRS 10 CONSOLIDATED FINANCIAL STATEMENTS

Standard replaces the consolidation sections of IAS 27 Consolidated and Separate Financial Statements and SIC 12 Consolidation – Special Purpose Entities. The standard sets out a new definition of control, which exists only when an entity is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to effect those returns through power over the investee.

The effective date of the standard is for years beginning on or after 01 January 2013.

The company expects to adopt the standard for the first time in the 2014 annual financial statements.

It is unlikely that the standard will have a material impact on the company's annual financial statements.

IFRS 12 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

The standard sets out disclosure requirements for investments in Subsidiaries, associates, joint ventures and unconsolidated structured entities. The disclosures are aimed to provide information about the significance and exposure to risks of such interests. The most significant impact is the disclosure requirement for unconsolidated structured entities or off balance sheet vehicles.

The effective date of the standard is for years beginning on or after 01 January 2013.

The company expects to adopt the standard for the first time in the 2014 annual financial statements.

It is unlikely that the standard will have a material impact on the company's annual financial statements.

IFRS 13 FAIR VALUE MEASUREMENT

New standard setting out guidance on the measurement and disclosure of items measured at fair value or required to be disclosed at fair value in terms of other IFRS's.

The effective date of the standard is for years beginning on or after 01 January 2013.

The company expects to adopt the standard for the first time in the 2014 annual financial statements.

It is unlikely that the standard will have a material impact on the company's annual financial statements.

IAS 1 PRESENTATION OF FINANCIAL STATEMENTS

The amendment now requires items of other comprehensive income to be presented as:

- Those which will be reclassified to profit or loss
- Those which will not be reclassified to profit or loss.

The related tax disclosures are also required to follow the presentation allocation.

In addition, the amendment changed the name of the statement of comprehensive income to the statement of profit or loss and other comprehensive income.

The effective date of the amendment is for years beginning on or after 01 July 2012.

The company expects to adopt the amendment for the first time in the 2014 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

IAS 19 EMPLOYEE BENEFITS REVISED

- Require recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements
- Introduce enhanced disclosures about defined benefit plans
- Modify accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits
- Clarification of miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates,tax and administration costs and risk-sharing and conditional indexation features

The effective date of the amendment is for years beginning on or after 01 January 2013.

The company expects to adopt the amendment for the first time in the 2014 annual financial statements.

It is unlikely that the amendment will have a material impact on the company's annual financial statements.

NOTES

to the Annual Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

(in $)

	2013			2012		
	Cost	Accumulated Depreciation	Carrying value	Cost	Accumulated Depreciation	Carrying value
Furniture and fixtures	202 705	(31 238)	171 467	42 916	(10 965)	31 951
IT equipment	42 646	(36 576)	6 070	37 801	(31 503)	6 298
Leasehold property	34 977	(11 659)	23 318	-	-	-
Office equipment	9 346	(5 418)	3 928	8 443	(4 012)	4 431
Total	**289 674**	**(84 891)**	**204 783**	**89 160**	**(46 480)**	**42 680**

Reconciliation of property, plant and equipment - 2013

	Carrying value	Additions	Depreciation	Total
Furniture and fixtures	31 951	159 790	(20 274)	171 467
IT equipment	6 298	4 845	(5 073)	6 070
Leasehold property	-	34 977	(11 659)	23 318
Office equipment	4 431	903	(1 406)	3 928
	42 680	**200 515**	**(38 412)**	**204 783**

Reconciliation of property, plant and equipment - 2012

	Carrying value	Additions	Depreciation	Total
Furniture and fixtures	30 497	5 721	(4 267)	31 951
IT equipment	14 994	-	(8 696)	6 298
Office equipment	5 584	101	(1 254)	4 431
	51 075	**5 822**	**(14 217)**	**42 680**

NOTES

to the Annual Financial Statements

4. INVESTMENTS IN SUBSIDIARIES

(in $)

Name of company	Carrying amount 2013	Carrying amount 2012
Bourse Exchange Nigeria Limited Incorporated in Nigeria - Authorised capital at USD 264 000 (Naira 40 Million divided into 40 million shares of Naira 1 each) Subscribed and issued capital at USD 66 000(Naira 10 million)	66 000	66 000
Bourse Tanzania Limited Incorporated in Tanzania - Authorised capital at USD 70 (Tanzania Shilling 100000 divided into 100 shares of 1000 Tanzania Shilling each Subscribed and issued capital at USD 70 (Tanzanian Shilling 100000)	70	70
Bourse Uganda Limited incorporated in Uganda - Authorised capital at USD 5000 (Uganda Shillings 10 000 000 divided into 10 000 shares of Uganda Shilling 1000 each) Subscribed and issued USD 5000 (Uganda shilling 10 000 000)	5 000	5 000
Bourse Africa (Kenya) Limited Incorporated in Kenya - Authorised capital at USD 1255 (Kenya Shillings 100 000 divided into 100 shares of Kenya Shilling 1000 each) Subscribed and issued USD 1255 (Kenya Shillings 100 000)	1 255	1 255
Bourse Zambia Limited Incorporated in Zambia- Authorised capital at USD 1000 (Zambian Kwacha 5 000 000 divided into 500 shares of Kwacha 10 000 each) Subscribed and issued USD 1000 (Zambian Kwacha 5 000 000)	1 000	1 000
Bourse South Africa Limited Incorporated in South Africa - Authorised capital at ZAR 1000 (1 000 common no par values each, the company has subscribed 510 shares of no par value in the entity)	55	-
	73 380	**73 325**

In the prior year the company acquired 100% subsidiary ICX Africa Limited, incorporated in Botswana with USD 0.14 (BWP 1) as it's stated capital.

Application of consolidation exemption

The annual financial statements presented are not consolidated annual financial statements as the entity qualifies for the consolidation exemption in IAS 27 Separate and Consolidated Financial Statements.

The exemption is allowed provided that all of the following criteria are complied with:

- The entity is wholly owned or partially owned, where none of the other shareholder's object to the fact that consolidated annual financial statements are not prepared,
- The entity's debt or equity instruments are not traded in a public market,
- The entity did not file, and is not in the process of filing its annual financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instrument in a public market, and
- The entity's ultimate or intermediary parent produces consolidated annual financial statements available for public use which comply with International Financial Reporting Standards.

The ultimate holding company, Financial Technologies India Limited, produces consolidated annual financial statements available for public use. These annual financial statements can be obtained from www.ftindia.com.

NOTES
to the Annual Financial Statements

5. LOANS TO (FROM) RELATED COMPANIES

(in $)

Holding company	2013	2012
FT Group Investment Private Limited The loan from the holding company is unsecured and carries interest at 6%, and is repayable on demand. The holding company holds 99.9% of the equity of the company.	(4 200 000)	-
The carrying amounts of loans from related companies approximates its fair value.		

6. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below. The carrying amounts of the financial assets in each category are as follows:

2013	Loans and receivables	Total
Cash and cash equivalents	119 519	119 519
Other receivables	167 586	167 586
	287 105	**287 105**

2012	Loans and receivables	Total
Cash and cash equivalents	2 725 617	2 725 617
Other receivables	81 766	81 766
	2 807 383	**2 807 383**

7. OPERATING LEASE ASSET (ACCRUAL)

Operating lease assets (accrual) relate to the impact on straight lining of leases as required by IAS 17. This relates to the difference between the contractual rentals over the period of lease against the actual rentals charged during the year.

8. ADVANCES AND PREPAYMENTS

During the previous year, the company has entered into an agreement with its ultimate holding company, Financial Technologies India Limited for the purchase of a software, DOME (Distributed Order Matching Engine) and CnS (Clearing and Settlement) at a total cost of USD 50 million for its operations. The software which is developed by the ultimate holding company comprises of two segments; one which deals with the Derivative exchange for commodities, currencies, indices segment and clearing house and the other that deals with Spot exchange for commodities segment and clearing house.

In the prior year, the company had paid USD 12.5 million as advance towards the spot exchange segment and USD 8.25 million as advance towards the derivative exchange segment. Further, the company has also paid USD 4.25 million representing 17% of the contracted value for the derivative exchange segment on receipt of this software. In the current year the company paid 4.25million towards the derivative exchange segment. Though the company has acknowledged the receipt of the software, it has neither been installed nor tested as required prior to effective transfer of this derivative software to the company. Therefore, as at the year end, the entire amount paid is recognised as advances.

Further USD 1.5 million has also been paid in the prior year for the 'technical know how' to its ultimate holding company. Since the company has not yet commenced operations, the determination of whether the future economic benefits will flow to the entity is yet to be known and hence the amount is considered as advances.

NOTES

to the Annual Financial Statements

(in $)

9. OTHER RECEIVABLES	2013	2012
Other receivable	83 298	46 587
Prepayments	79 968	32 000
Value added tax	4 320	3 179
	167 586	**81 766**

Fair value of other receivables

The carrying amounts of other receivables approximates its fair value.

Other receivables past due but not impaired

There are no other receivables past due but not impaired.

Other receivables impaired

There are no other receivables impaired.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2013	2012
Bank balances	119 519	2 725 617

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. Banks in Botswana are not rated, but are subsidiaries of banks incorporated in South Africa and United Kingdom.

11. STATED CAPITAL

Issued

	2013	2012
35 020 000 Ordinary shares of no par value	35 020 000	35 020 000

12. OTHER PAYABLES	2013	2012
Accrued severance pay	51 838	-
Other payables	110 544	35 046
Other payables to subsidiary companies	73 380	73 325
	235 762	**108 371**

The carrying amounts of trade and other payables approximates its fair value.

13. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below. The carrying amounts of the financial liabilities in each category are as follows:

2013	Financial liabilities at amortised cost	Total
Other payables	235 762	235 762

2012	Financial liabilities at amortised cost	Total
Other payables	108 370	108 370

NOTES

to the Annual Financial Statements

(in $)

14. OPERATING LOSS	2013	2012
Operating loss for the year is stated after accounting for the following:		
Operating lease charges		
Lease rentals on operating lease		
• Contractual amounts	228177	169740
Consultancy and professional fees	232909	446815
Travel and accommodation	154638	146947
Telephone and fax	47158	39178
Motor vehicle expenses	21798	20881
Entertainment expenses	13192	17696
Loss on exchange differences	24975	15448
Depreciation on property, plant and equipment	38412	14217
Employee costs	1217059	504907
Computer expenses	176496	33772
15. FINANCE INCOME		
Interest revenue	1737	-
Bank		
16. FINANCE COSTS	1803	368
Bank	138743	122484
Related companies	83	-
Other interest paid	**140629**	**122852**
17. Taxation		
No provision for income tax expense is made due to the assessable losses of the company. Also, no deferred tax on these losses are recognised.		
18. AUDITORS' REMUNERATION		
Fees	6933	5457
19. CASH USED IN OPERATIONS		
Loss before taxation	(2440259)	(1589107)
Adjustments for:		
Depreciation	38412	14217
Finance income	(1737)	-
Finance costs	140629	122852
Movements in operating lease accruals	4748	18179
Changes in working capital:		
Other receivables	(85820)	(39195)
Other payables	127391	(27340)
	(2216636)	**(1500394)**
20. MOVEMENT IN INVESTMENTS (INCL SUBS, JVS & ASSOC)		
Fair value of assets acquired		
Investments in shares of Bourse South Africa Limited	55	-
Consideration paid		
Consideration payable	(55)	-
Net cash outflow on acquisition		
Cash consideration paid	(55)	-

NOTES

to the Annual Financial Statements

(in $)

21. COMMITMENTS		2013	2012
Authorised capital expenditure			
Already contracted for but not provided for			
• Software		20750000	25000000
This committed expenditure relates to balance payment towards the DOME and CnS software and will be financed by capital induction by holding company and ultimate holding company.			
Operating leases – as lessee (expense)			
Minimum lease payments due			
• within one year		154701	234895
• in second to fifth year inclusive		132930	370467
		287631	**605362**
Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of three years and rentals are fixed for an average of three years. No contingent rent is payable.			
22. RELATED PARTIES			
Relationships			
Ultimate holding company	Financial Technologies India Limited		
Holding company	FT Group Investments Private Limited		
Subsidiaries	Refer to note 4		
Related companies	ICX Platforms (Proprietary) Limited		
	FT Knowledge Management Company Limited		
	Multi Commodity Exchange of India		
Members of key management	Christopher Goromonzi		
	Abdool Rahim Khan		
Related party balances			
Loan accounts - Owing (to) by related parties			
FT Group Investments Private Limited		(4200000)	-
Amounts included in Trade receivable (Trade Payable) regarding related parties			
Bourse Africa (Kenya) Limited		(1255)	(1255)
Bourse Exchange Nigeria Limited		(66000)	(66000)
Bourse South Africa Limited		(55)	-
Bourse Tanzania Limited		(70)	(70)
Bourse Uganda Limited		(5000)	(5000)
Bourse Zambia Limited		(1000)	(1000)
Christopher Goromozi		18600	-
Financial Technologies India Limited		(7156)	-
ICX Platforms (Proprietary) Limited		(7189)	-
ICX Platforms (Proprietary) Limited		22079	40534
		(47046)	**(32791)**
Advances - Software development			
Financial Technologies India Limited		25000000	20750000
Technical know-how advances paid			
Financial Technologies India Limited		1500000	1500000
Advance - Software delivery			
Financial Technologies India Limited		4250000	4250000

NOTES

to the Annual Financial Statements

(in $)

	2013	2012
Related party transactions		
Interest paid to (received from) related parties		
FT Group Investments Private Limited	137734	120723
Multi commodity Exchange of India	1009	1761
	138743	**122484**
Software license fees paid		
ICX Platforms (Proprietary) Limited	162000	18000
Consultancy fees paid to (received from) related parties		
Christopher Goromonzi	256732	240499
Compensation to directors and other key management		
Abdool Rahim Khan	1602	1649

23. RISK MANAGEMENT

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed support from the holding company.

Interest rate risk

The company's interest rate risk arises from short term borrowings. Borrowings issues at variable rates expose the company to cash flow interest rate risk.

At 31 March 2013, if interest rate on US Dollar denominated borrowings had been 10% higher/lower with all other variables held constant, pre - tax profit for the year would have been $14,063 (2012: $ 12,285) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter - party. Though the banks in Botswana are not rated, they are subsidiaries of reputed banks of Republic of South Africa.

Financial assets exposed to credit risk at year end were as follows:

(in $)

Financial instrument	2013	2012
First National Bank	102 754	40 807
Standard Chartered Bank	16 766	2 684 811

Foreign exchange risk

The company does not hedge foreign exchange fluctuations.

The company operates in Botswana where the state currency is "Pula". Certain expenses are incurred in Pula and recorded in USD based on the exchange rates prevailing. The company is exposed to the foreign exchange risk on account of these transactions. No mitigation tools are deployed as the management believes the risk to be insignificant.

24. GOING CONCERN

During the year, the company has reported an accumulated loss of USD 2 440 259 and the cumulative accumulated loss upto the year ended 31 March 2013 is USD 8 163 421 .The company has not commenced its revenue generating operations and is still in the process of establishing a commodity and currency trading platform in Botswana. The directors of the company are hopeful that the company will commence revenue generating operations in the near future and that its ultimate holding company will continue to provide financial and technical assistance until such time. With this background and assumptions, the company’s financial statements are prepared on the basis applicable to a going concern.

DETAILED STATEMENT
of Comprehensive Income

(in $)

Other income	Note(s)	2013	2012
Finance income	15	1 737	-
Operating expenses			
Advertising		(561)	(851)
Auditors remuneration	18	(6 933)	(5 457)
Bank charges		(13 893)	(7 287)
Cleaning		(5 497)	(5 089)
Computer expenses		(176 496)	(33 772)
Consulting and professional fees		(232 909)	(446 815)
Depreciation, amortisation and impairments		(38 412)	(14 217)
Employee costs		(1 217 059)	(504 907)
Entertainment		(13 192)	(17 696)
Office renovations		(9 295)	-
Seminar & workshop fees		(69)	(2 693)
Insurance		(2 341)	(2 530)
Lease rentals on operating lease		(228 177)	(169 740)
Levies		(10 035)	(2 424)
Loss on exchange differences		(24 975)	(15 448)
Motor vehicle expenses		(21 798)	(20 881)
Other expenses		(26 085)	-
Postage		(3 094)	(3 535)
Printing and stationery		(11 353)	(5 351)
Repairs and maintenance		(5 666)	(2 488)
Staff welfare		(40 168)	(14 114)
Subscriptions		(512)	(359)
Telephone and fax		(47 158)	(39 178)
Travel- overseas		(154 638)	(146 947)
Utilities		(11 051)	(4 476)
		(2 301 367)	**(1 466 255)**
Operating loss	14	**(2 299 630)**	**(1 466 255)**
Finance costs	16	(140 629)	(122 852)
Total comprehensive loss for the year		**(2 440 259)**	**(1 589 107)**

BALANCE SHEET

Statement of Financial Position (unaudited)

(in US$)

	2013	2012
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	1,255.00	1,255.00
Total Assets	**1,255.00**	1,255.00
Equity and Liabilities		
Equity		
Subscribed Share Capital	1,255.00	1,255.00
Accumulated loss	-	-
	1,255.00	1,255.00
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**1,255.00**	1,255.00

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2013	2012
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2011	**1,255.00**	**-**	**1,255.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 01 April 2012	**1,255.00**	**-**	**1,255.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 31 March 2013	**1,255.00**	**-**	**1,255.00**

BALANCE SHEET

Statement of Financial Position (unaudited)

(in US$)

	2013	2012
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	70.00	70.00
Total Assets	**70.00**	70.00
Equity and Liabilities		
Equity		
Subscribed Share Capital	70.00	70.00
Accumulated loss	-	-
	70.00	70.00
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**70.00**	70.00

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2013	2012
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2011	**70.00**	**-**	**70.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 01 April 2012	**70.00**	**-**	**70.00**
Changes in equity	-		
Total comprehensive loss for the year			
Total changes	-	-	-
		-	-
Balance at 31 March 2013	**70.00**	**-**	**70.00**

BALANCE SHEET

Statement of Financial Position (unaudited)

(in US$)

	2013	2012
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	1,000.00	1,000.00
Total Assets	**1,000.00**	1,000.00
Equity and Liabilities		
Equity		
Subscribed Share Capital	1,000.00	1,000.00
Accumulated loss	-	-
	1,000.00	1,000.00
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**1,000.00**	1,000.00

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2013	2012
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2011	**1,000.00**	**-**	**1,000.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 01 April 2012	**1,000.00**	-	**1,000.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 31 March 2013	**1,000.00**	**-**	**1,000.00**

BALANCE SHEET

Statement of Financial Position (unaudited)

(in US$)

	2013	2012
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	66,000.00	66,000.00
Total Assets	**66,000.00**	66,000.00
Equity and Liabilities		
Equity		
Subscribed Share Capital	66,000.00	66,000.00
Accumulated loss	-	-
	66,000.00	66,000.00
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**66,000.00**	66,000.00

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2013	2012
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2011	**66,000.00**	**-**	**66,000.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 01 April 2012	**66,000.00**	-	**66,000.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 31 March 2013	**66,000.00**	**-**	**66,000.00**

BALANCE SHEET

Statement of Financial Position (unaudited)

(in US$)

	2013	2012
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	5,000.00	5,000.00
Total Assets	**5,000.00**	5,000.00
Equity and Liabilities		
Equity		
Subscribed Share Capital	5,000.00	5,000.00
Accumulated loss	-	-
	5,000.00	5,000.00
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**5,000.00**	5,000.00

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2013	2012
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2011	**5,000.00**	**-**	**5,000.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 01 April 2012	**5,000.00**	**-**	**5,000.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 31 March 2013	**5,000.00**	**-**	**5,000.00**

BALANCE SHEET

Statement of Financial Position (unaudited)

(in US$)

	2013	2012
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	55.00	-
		-
Total Assets	**55.00**	-
Equity and Liabilities		
Equity		
Subscribed Share Capital	55.00	-
Accumulated loss	-	-
	55.00	-
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**55.00**	-

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2013	2012
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2011	-	-	-
Changes in equity	-		
Total comprehensive loss for the year	-	-	-
Total changes	-	-	-
Balance at 01 April 2012	-	-	-
Changes in equity	**55.00**		**55.00**
Total comprehensive loss for the year		-	-
Total changes	**55.00**	-	**55.00**
Balance at 31 March 2013	**55.00**	-	**55.00**

FINANCIAL TECHNOLOGIES (INDIA) LTD.
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Financial Technologies
Creating Markets. Unlocking Value.™

FINANCIAL TECHNOLOGIES (INDIA) LIMITED

Regd. Office: Doshi Towers, 1st Floor, 1A & B, 156, Periyar EVR Salai, Kilpauk, Chennai 600 010.#

NOTICE

Notice is hereby given that the **Adjourned** 25th Annual General Meeting ("Annual General Meeting") of the members of **Financial Technologies (India) Limited** will be held on Friday, 21st February, 2014, at 2:00 p.m. at Tapovan hall, Chinmaya Heritage Centre, No. 2, 13th Avenue, Harrington Road, Chetpet, Chennai - 600 031, to transact the following business which was adjourned at the 25th Annual General Meeting of the members held on Wednesday, 25th September, 2013 at 2:00 p.m. at Sri P. Obul Reddy Hall (Vani Mahal), 103, G. N. Chetty Road, T. Nagar, Chennai 600 017.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2013 and the Profit and Loss for the year ended as on that date together with the Schedules attached thereto, and the Reports of the Board of Directors' and Auditors' thereon.

2. To declare a final Dividend on Equity Shares.

3. To appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI firm Registration No. 117366W/W-100018) (formerly M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI firm Registration No. 117366W)), the retiring Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors or any Committee thereof to fix their remuneration.

   "**RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI firm Registration No. 117366W/W-100018) (formerly M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI firm Registration No. 117366W)), retiring auditors of the Company, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration and reimbursement of out-of-pocket expenses, if any, to be mutually agreed to, between the Board of Directors or any Committee thereof and M/s Deloitte Haskins & Sells LLP.

SPECIAL BUSINESS:

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded for payment of commission to Non-Executive Directors of the Company upto 1% of the Company's net profits as computed in accordance with Section 349 and 350 of the Companies Act, 1956, from financial year 2013-14 onwards, to be distributed amongst the Non-Executive Directors as may be decided by the Board from time to time.

   "**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary or expedient for giving effect to this resolution."

By Order of the Board

sd/-
Hariraj Chouhan
Vice President & Company Secretary

Place : Mumbai
Date : 29th November, 2013

#The Registered Office of the Company has been changed to "Shakti Tower-1, 7th Floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai, Tamil Nadu - 600 002" w.e.f. December 2, 2013.

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of business under item no. 4 is annexed hereto and forms part of the Notice.

2. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.***

3. ***INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE# OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.***

4. Members/Proxies are requested to fill in the enclosed attendance slip and deposit it at the entrance of the meeting hall.

5. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days (Monday to Saturday) from 10.00 a.m. to 1.00 p.m. upto the date of the meeting, except holidays.

6. The Register of Members and Share Transfer Books of the Company which remained closed **from September 18th, 2013 to September 25th, 2013 (both days inclusive)** in terms of the provisions of Section 154 of the Companies Act, 1956 and the applicable clauses of the Listing Agreement entered into with the stock exchanges shall continue to be applicable for ascertaining dividend entitlement and therefore there are no changes in book closure dates.

7. If the final dividend, as recommended by the Board of Directors is approved by the members at the meeting, payment of such dividend will be made to those members whose names shall appear on the Company's Register of Members after entertaining all valid requests for transfer of shares lodged on or before September 17th, 2013. In respect of the shares held in electronic form, the dividend will be payable on the basis of beneficial ownership, as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited as on September 17th, 2013.

8. Pursuant to the provision of Section 205A(5) and section 205C of the Companies Act, 1956, the Company has transferred unpaid/unclaimed final dividend for the F.Y. 2004-05, interim dividend for F.Y. 2005-06, final dividend for F.Y. 2005-06 and first interim dividend for F.Y. 2006-07 to Investor Education and Protection Fund (IEPF) established by the Central Government.

9. Those Members who have so far not encashed their dividend warrants from second interim dividend for the financial year 2006-07 onwards, may approach the Registrar and Share Transfer Agent, M/s. KARVY Computer share Private Limited at the address mentioned elsewhere in the Notice for the payment without further delay as the said unpaid dividend will be transferred to the Investor Education and Protection Fund of the Central Government, pursuant to Section 205C of the Companies Act, 1956. Shareholders are requested to note that no claim shall lie against the said Fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of 7 years and transferred to Investor Education and Protection Fund of the Central Government.

10. Members are requested to notify to the Registrar and Share Transfer Agent of the Company at KARVY Computer share Private Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad 500 081, in respect of:

    i. Change in address

    ii. Consolidation of holdings

    iii. Residential status from NRI to Resident Indian or vice versa

    iv. Change in particulars of NRE Bank Account with complete address

11. Corporate members are requested to send a duly certified copy of the Board Resolution or Power of Attorney duly authorizing their representative to attend and vote at the Annual General Meeting.

12. Members seeking any information relating to the accounts should write to the CFO of the Company at its Corporate Office at FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai - 400 093, or send an e-mail at info@ftindia.com.

13. Members are requested to bring their copies of Annual Report for the meeting.

14. Members holding shares in physical form are requested to get their shareholdings converted into dematerialized form as the shares of the Company are traded under compulsory demat system.

15. The Securities and Exchange Board of India (SEBI) has notified that, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder or transmission/transposition of shares. Members holding shares in dematerialized mode are requested to submit their PAN details to their Depository Participant, whereas members holding shares in physical form are requested to submit the PAN details to the Company's Registrars and Transfer Agents.

16. As per Green Initiative in Corporate Governance initiated by the Ministry of Corporate Affairs, members are requested to register their e-mail address with the Company's Registrar and Share Transfer Agent, M/s. KARVY Computer share Private Limited to receive the Annual Report and other Communication(s) from the Company in electronic mode.

By Order of the Board

sd/-

Hariraj Chouhan
Vice President & Company Secretary

Place : Mumbai
Date : 29th November, 2013

#The Registered Office of the Company has been changed to "Shakti Tower-1, 7th Floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai, Tamil Nadu - 600 002" w.e.f. December 2, 2013.

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EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

Item No. 4

(a) the nature of concern or interest, financial or otherwise, if any, in respect of item No. 4:

The Non-executive Directors of the Company are deemed to be interested in the Resolution.

None of the other Directors of the Company are in any way concerned or interested in the Resolution.

None of the key managerial personnel of the Company are interested in the Resolution.

To the best of our information and knowledge, none of the relatives of the Directors and the key managerial personnel of the company are interested in the Resolution.

(b) any other information and facts to enable members to understand the meaning, scope and implications of the items of business and to take decision thereon:

The Company seeks the approval of shareholders for payment of commission to the Non-Executive Directors considering their continuous valuable contribution in directing the strategy and growth of the Company, upto 1% of the Company's net profit as calculated under Section 349 and 350 of the Companies Act, 1956, for the period starting from financial year 2013-14 and such commission to be distributed amongst the Directors as may be decided by the Board of Directors from time to time.

Accordingly, the Board recommends passing of the resolution as set out at item no. 4 of this notice.

By Order of the Board

sd/-

Hariraj Chouhan

Vice President & Company Secretary

Place : Mumbai

Date : 29th November, 2013

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FINANCIAL TECHNOLOGIES (INDIA) LIMITED

Regd. Office: Doshi Towers, 1st Floor, 1A & B, 156, Periyar EVR Salai, Kilpauk, Chennai 600 010.#

ADJOURNED 25TH ANNUAL GENERAL MEETING – FRIDAY, 21ST FEBRUARY, 2014 AT 2:00 P.M.

Attendance Slip

[To be handed over at the entrance of the meeting hall]

Full name of the Member attending ____________________
(in block letters)

Full name of the first joint holder ____________________
(to be filled in, if first named joint holder does not attend the meeting)

Name of the Proxy ____________________
(to be filled in, if the proxy form has been duly deposited with the company)

I hereby record my presence at the Adjourned Twenty Fifth Annual General Meeting of the Company to be held on Friday, 21st February, 2014 at Tapovan hall, Chinmaya Heritage Centre, No. 2, 13th Avenue, Harrington Road, Chetpet, Chennai - 600 031 at 2:00 p.m.

No. of shares held : ____________________

Regd Folio No. : ____________________

DP ID/Client ID.* : ____________________

Members/Proxy Signature

(To be signed at the time of handing over of this slip.)

#The Registered Office of the Company has been changed to "Shakti Tower-1, 7th Floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai, Tamil Nadu - 600 002" w.e.f. December 2, 2013.

*Applicable to the members whose shares are held in dematerialized form.

Note: Shareholders are requested to bring their copies of Annual Report to the meeting.

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Regd. Office: Doshi Towers, 1st Floor, 1A & B, 156, Periyar EVR Salai, Kilpauk, Chennai 600 010.#

ADJOURNED 25TH ANNUAL GENERAL MEETING – FRIDAY, 21ST FEBRUARY, 2014 AT 2:00 P.M.

Proxy Form

I/We ____________________

of ____________________ in the district of ____________________

being a member(s) of the above named Company, hereby appoint Mr./Ms. ____________________

of ____________________ in the district of ____________________ or failing him/her Mr./Ms. ____________________ of ____________________

in the district of ____________________ as my/our proxy to vote for me/us on my/our behalf at the Adjourned Twenty Fifth Annual General Meeting of the Company to be held on Friday, 21st February, 2014 at 2:00 p.m. and at any adjournment thereof.

Signed this __________ day of __________, 2014

Affix Re.1/- Revenue Stamp

No. of Shares held : ____________________

Regd. Folio No. : ____________________

DP ID/Client ID No* : ____________________

Signature

#The Registered Office of the Company has been changed to "Shakti Tower-1, 7th Floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai, Tamil Nadu - 600 002" w.e.f. December 2, 2013. Please send your proxy forms at this address.

*Applicable to the members whose shares are held in dematerialized form.