**FORM B**

(Pursuant to Clause 31 of the Equity Listing Agreement)

In view of Independent Auditors' Report dated May 30, 2013 (November 29, 2013 as to effect the amendments arising from the matters referred to in paragraph 15 under Other Matter of their Audit Report) on the Standalone Financial Statements (as amended) for the year ended March 31, 2013, this Form B dated December 30, 2013 replaces the earlier Form A dated July 30, 2013

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| 1. | Name of the Company | Financial Technologies (India) Limited (the Company) |
| 2. | Annual standalone financial statements for the year ended | March 31, 2013 |
| 3. | Type of Audit qualification | The qualifications made by the Statutory Auditors in their Independent Auditors' Report dated May 30, 2013 (November 29, 2013 as to effect the amendments arising from the matters referred to in paragraph 15 under Other Matter of their Audit Report) on the Standalone Financial Statements (as amended) for the year ended March 31, 2013 are as under:-<br>(Paragraph numbers are as indicated in the Auditors' Report)<br><br>2. Pursuant to the developments relating to National Spot Exchange Limited (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 March 31, 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 September 21, 2013, that the standalone and consolidated financial statements of NSEL and the standalone financial statements of IBMA for the year ended March 31, 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.<br><br><u>Basis for Qualified Opinion:</u><br><br>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 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.<br><br>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 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 March 31, 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 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 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 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.

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

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| | | 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).<br><br>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).<br><br>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 March 31, 2013, in these financial statements (as amended).<br><br>The qualification made by the Statutory Auditors in the Annexure to their Independent Auditors' Report dated May 30, 2013 (November 29, 2013 as to effect the amendments arising from the matters referred to in paragraph 15 under Other Matter of their Audit Report) on the Standalone Financial Statements (as amended) for the year ended March 31, 2013 is as under:-<br><br>(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.<br><br>The Emphasis of Matter made by the Statutory Auditors in their Independent Auditors' Report dated May 30, 2013 (November 29, 2013 as to effect the amendments arising from the matters referred to in paragraph 15 under Other Matter of their Audit Report) on the Standalone Financial Statements (as amended) for the year ended March 31, 2013 is as under:-<br><br>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.<br><br>Our opinion is not qualified in respect of this matter. |
| 4. | Frequency of qualification / emphasis of matter | 1. Qualifications stated in paragraphs 7,8,9,10 and (xiii) above - first time in March 2013<br><br>2. Emphasis of matter stated in paragraph 12 above - since 2007-08 |
| 5 | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the | I. Supplementary Note 1 to the financial statements (as amended) referred in paragraph 7 above:<br><br>**Investments made by the Company in NSEL:**<br>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 |

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directors report:

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.

Management Response:

Same as above.

II. Supplementary Note 2 to the financial statements (as amended) referred in paragraph 8 above:

**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:

₹ in 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.

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

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| | | provision was considered necessary by the Management as on March 31, 2013 for the such Income from NSEL.<br><br>Management Response:<br><br>Same as above.<br><br>III. Supplementary Note 5 to the financial statements (as amended) referred in paragraph 9 above:<br><br>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.<br><br>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<br><br>Management Response:<br><br>Same as above<br><br>IV. Management Response to qualification in paragraph 10 above:<br><br>As explained in the above said Management reply, the quantum of consequential impact for matters referred in paragraphs 7 and 8 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 paragraph 9 in qualifications, the Management response has been explained in paragraph (III) above.<br><br>V. (a) Supplementary Note 5 to the financial statements (as amended) referred in paragraph (xiii) above:<br><br>Refer (III) above.<br><br>Management Response:<br><br>The note is self-explanatory.<br><br>(b) Supplementary Note 9 to the financial statements (as amended) referred in paragraph (xiii) above:<br><br>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.

Management Response:

The note is self-explanatory.

(c) Supplementary Note 12 to the financial statements (as amended) referred in paragraph (xiii) above states information received by the Company from NSEL in respect of development at NSEL. For complete note please refer to page no.119 of Annual Report.

Management Response:

The note is self-explanatory.

VI. Note 37 to the financial statements (as amended) referred in paragraph 12 above:

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).

Management response:

As at March 31, 2013, the Company's investments aggregating Rs. 49,090.30 lacs (Previous Year Rs. 48,045.31 lacs) and loans and advances / receivables aggregating Rs. 49,003.84 lacs (Previous Year Rs. 26,403.73 lacs) in certain subsidiaries and a joint venture company, which presently have accumulated losses, [share of aggregate losses till March 31, 2013 Rs. 87,082.53 lacs (Previous year Rs. 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 the 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 the Company subject to certain customary closing conditions and approvals. Further, an overseas exchange based out of Dubai, wherein the 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 the 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.

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| 6 | Additional comments from the board/audit committee chair: | None |

For Financial Technologies (India) Limited

Jignesh Shah
Chairman and Managing Director

Venkat R Chary
Chairman - Audit Committee

Devendra Agrawal
Chief Financial Officer

December 30, 2013

Refer our Audit Report dated 30th May, 2013 (29th November, 2013 as to effect the amendments arising from the matters referred to in paragraph 15 under Other Matter) on the standalone financial statements (as amended)

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

Rajesh K Hiranandani
Partner
(Membership No. 036920)

December 30, 2013