

**From:** Hariraj Chouhan/FTIL/Secretarial  
**Sent:** 01/03/2016 11:48 AM  
**To:** 'Yatin Bhavsar'  
**Cc:** einward.ris@karvy.com; Hussain Motiwala; Sheetal Dhawan/FTIL/Secretarial  
**Subject:** RE: Complaint against your Co. from SEBI SCORES

Dear Sir,

With reference to your below mail and the complaint attached therewith relating to sale of stake in DGCX, please find attached herewith our reply dated 29.02.2016, alongwith copy of our earlier communication dated Feb.04, 2016. Kindly acknowledge receipt.

Thanks & best regards,

**Hariraj Chouhan**

Vice President & Company Secretary

Financial Technologies (India) Ltd.

Tel: 022-66868010 Xtn: 8316

URL: [www.ftindia.com](http://www.ftindia.com)

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**From:** Yatin Bhavsar [<mailto:yatin.bhavsar@bseindia.com>]  
**Sent:** Wednesday, February 24, 2016 3:45 PM  
**To:** Hariraj Chouhan/FTIL/Secretarial  
**Cc:** [einward.ris@karvy.com](mailto:einward.ris@karvy.com); Hussain Motiwala  
**Subject:** Complaint against your Co. from SEBI SCORES

**Kind Attn. : Shri Hariraj Chouhan,**  
**VP, CS & Compliance Officer,**

The Exchange has received a complaint against your Co. from the SEBI SCORES portal between the Exchange and SEBI.

A soft copy of the same enclosed herewith for your reference.

You are requested to furnish your reply at the earliest.

Regards,

**Yatin Bhavsar**  
**Special Assistant**  
**DIS**

**BSE Limited, 1st Floor, Cama Building, Dalal Street, Mumbai -400001, India**  
**T:022-2272 8016,F:, M: , [www.bseindia.com](http://www.bseindia.com)**

**India's fastest exchange with trading speed of 200 microseconds**

Date: 29 February 2016

To,  
BSE Limited,  
P J Towers  
Dalal Street,  
Mumbai – 400001.

Dear Sir,

Kind Attention: Mr. Gopalkrishnan Iyer – Sr. General Manager/ Mr. Ravindra Palande – A.G.M.

**Ref: Your letter Ref. No. IS/CAC/SPL/2015-16/130 dated 16<sup>th</sup> February 2016 enclosing complaints**

Dear Sir,

With reference to your above referred letter alongwith complaint letter signed by 25 shareholders with respect to stake sale in DGCX by the Company, we wish to state under:

It is observed from the complainants letter that they seems to be within the family group.

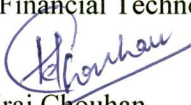
The Company has already informed to the Stock Exchanges vide its letter dated February 04, 2016, alongwith reply to media on queries related to the sale of stake in DGCX to **Dubai Multi Commodities Centre (DMCC), a strategic initiative of the Government of Dubai**, copy attached for your ready reference.

You are requested to send the attached letter dated 04.02.2016, on DGCX stake sale to the complainants.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,  
For Financial Technologies (India) Limited



Hariraj Chouhan  
VP & Company Secretary  
Encl.: a/a.

**Financial Technologies (India) Ltd.**

Corporate Office: FT Tower, CTS No. : 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai - 400 093.  
• Tel.: +91-22-6686 8010 • Fax: +91-22-6686 8050 • Email: solutions@ftindia.com • Website: www.ftindia.com  
Registered Office: Shakti Tower - 1, 7<sup>th</sup> floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai - 600 002.  
• Tel.: +91-44-4395 0850 • Fax: +91-44-4395 0899 • CIN No.: L29142TN1988PLC015586

February 04, 2016

Corporate Relations Dept.,  
**BSE Limited**  
P. J. Towers,  
Dalal Street,  
Mumbai – 400 001

Listing Dept.,  
**National Stock Exchange of India Limited**  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

Dear Sir,

**Sub: Update on Sale of stake in Dubai Gold and Commodities Exchange (DGCX)**

Further to our earlier communication dated January 28, 2016, on the captioned subject, pursuant to the applicable clauses of the Listing Regulations, we wish to inform you that FT Group Investments Pvt. Ltd., (a wholly owned subsidiary of the Company), today, has concluded the transaction relating to sale of its 14.3% stake in DGCX to **Dubai Multi Commodities Centre (DMCC), a Government of Dubai enterprise.**

Kindly take the above information on record and acknowledge receipt for the same.

Thanking you,

Yours faithfully,  
For Financial Technologies (India) Limited

  
Hariraj Chouhan  
Vice-President & Company Secretary



Enclosed herewith the reply to media queries related to the sale of FT Group's (FTIL and FTGIPL) 27.3% stake in DGCX to DMCC, a Government of Dubai enterprise.

**Financial Technologies (India) Ltd.**

Corporate Office: FT Tower, CTS No. : 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai – 400 093.  
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• Tel.: +91-44-4395 0850 • Fax: +91-44-4395 0899 • CIN No.: L29142TN1988PLC015586



## REPLY TO MEDIA QUERIES RELATED TO THE SALE OF FT GROUP'S (FTIL AND FTGIPL) 27.3% STAKE IN DGCX TO DMCC

- DGCX began in 2005 as a 50:50 JV between DMCC, a Government of Dubai entity and FT Group (FTIL, FTGIPL and MCX)
- DGCX after ten years is yet to break even.
- Since DGCX trades in USD:INR contract, FT Group cannot infuse capital into DGCX as per the directions of RBI A.P. (DIR Series) Circular No.100 dated April 25, 2013. Further, RBI vide its letter dated June 05, 2013, also advised FT Group to divest its holding in DGCX.
- In 2013, since DGCX required capital to manage operations, a rights issue was announced in which FTIL could not participate. E&Y, Dubai valued DGCX then at USD 57.5million. FT Group holding diluted from 44% to 27.3%.
- Again in 2015, DGCX needed infusion of capital to sustain its operations as it continued to make operating losses and announced a rights issue, which FT Group cannot participate for reasons stated above.
- Deloitte was appointed by DGCX to value DGCX for the purpose of the rights issue.
- Post the rights issue, FT Group's holding would have come down to below 7%, a negligent minority which would have made the sale then very difficult.
- FT Group appointed Moelis & Company as its financial advisor for the sale of its entire stake in DGCX in 2013.
- After 24 months, and despite all efforts made by the advisor having received no respectable offer and to further comply with RBI letter as well as not to get significantly diluted to a negligent minority, FT Group negotiated with the largest shareholder DMCC, a Government of Dubai entity to acquire its stake based on Deloitte valuation report and we could complete the deal above Deloitte valuation.
- If FT Group would have delayed the current sale, the rights issue by DGCX at Deloitte valuation would have resulted in FT Group holding diluted further from 27.3% to a negligent minority at ~7% and would have also remained non-compliant to RBI.
- Post the completion of 27.3% equity stake in DGCX, FT Group would have received ~7x its total investment in DGCX.
- The decision to divest was taken by the Restructuring Committee (comprising all independent Directors and one executive Director) which recommended the same to the Board of FTIL where too the independent Directors approved along with other Directors. The Board of FTGIPL (including all independent Directors) too approved the sale of DGCX.

### ABOUT DMCC

Established in 2002 as a strategic initiative of the **Government of Dubai** with a mandate to provide the physical, market and financial infrastructure required to set up and operate a thriving commodities marketplace, today we are officially recognized as the largest Free Zone in the United Arab Emirates with over 10,000 registered companies under license. [www.dmcc.ae](http://www.dmcc.ae)



#### **ABOUT DGCX**

Established in 2005, DGCX is the region's first derivatives exchange and the only one allowing participants to clear and settle transactions within the Gulf region. The Exchange has played a pioneering role in developing the regional market for derivatives.

**DGCX is a subsidiary of Dubai Multi Commodities Centre (DMCC), a strategic initiative of the Government of Dubai**, with a mandate to enhance commodity trade flows through the Emirate by providing the appropriate physical, market, financial infrastructure and services required. It is an electronic commodity and currency derivatives exchange with 267 members from across the globe, offering futures and options contracts covering the precious metals, energy and currency sectors. [www.dgcx.ae](http://www.dgcx.ae)

