ANNUAL REPORT 2010-11

Financial Technologies (India) Limited

Empowering **Lives**, Transforming **Economies.**

Financial Technologies

Creating Markets. Unlocking Value.™

www.ftindia.com

Empowering **Lives,** Transforming **Economies.**

Success is a journey, not a destination
- Ben Sweetland

During the past few years, economic power has slowly been witnessing a steady shift from the West to the East, following the speedy growth of emerging economies. While technology continues to be the mainstay of economic development in the East, as it was all along in the West, labor cost advantage has given a distinct competitive edge to the emerging economies. This has transformed the economies and helped to uplift the poor, besides empowering the lives of many millions.

In these efforts at empowering the lives of people in the rapidly developing economies of the East, the globalization of markets and trade has played a momentous role. It is the increasing use of technology that has facilitated the development of markets and trade in these economies. This progress has also accelerated the process of linking them to the rest of the world. Financial markets of diverse hues have of necessity performed a pivotal role through this entire process.

With its astute clairvoyance, the Financial Technologies Group (FT Group) is already bringing about a paradigm shift by setting up new-generation financial exchanges that are laying the foundation for a safer and more stable future. This calculated, yet definite, move of the FT Group harmonizes with its objective of creating a more robust, stable financial system across different regions of the developing world. It also enables the many myriad stakeholders in the system to face the challenges and overcome barriers in transforming the markets and the economies they serve.

With the FT Group contributing significantly to the sustainable development of these fast-growing economies and designing the future of their financial markets, **"Empowering Lives, Transforming Economies."** was naturally adopted as the theme of it's Annual Report for 2010-11. The theme essentially emerges from the inter-active deliberations at our annual flagship event - The Future of Financial Markets (FOFM™) Leadership Summit 2011 - held in Mumbai in January this year. The Summit, supported by 22 partners, and attended by over 500 Senior Management Leaders from the financial world, including nearly 100 speakers from 10 countries who participated in 15 Tracks and Keynote Speeches, has come to be known as 'The Davos of Indian Financial Markets'.

In the Group's continued endeavor to set up a platform for financial markets to voice its opinions, the Annual Report has invited valuable contributions from financial market and industry participants from India, South-East Asia, Africa and the Middle-East, who have offered illuminating insights through their erudite writings on how markets have transformed their respective economies and empowered the lives of their people.

To engage, participate and contribute in shaping the future through financial markets, visit **www.fofm.in**

Jignesh Shah
Chairman & Group CEO

Corporate Information

Board of Directors

Jignesh Shah
Chairman & Group CEO

Dewang Neralla

P. G. Kakodkar

Ravi K. Sheth

Chandrakant Kamdar

Ramanathan Devarajan

P. R. Barpande

C. M. Maniar

Management Team

V. Hariharan
Director - Strategy

Manjay Shah
Director - Business Development

Paras Ajmera
Director - Operations & HR

Shreekant Javalgekar
Director - Finance, Investor Relations & Communications

Company Secretary

Naishadh P. Desai
Sr. Vice President - Legal & Company Secretary

Hariraj Chouhan
Vice President & Company Secretary

Registered Office

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EVR Salai Kilpauk, Chennai - 600 010, India
www.ftindia.com

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Auditors

Deloitte Haskins & Sells

Share Transfer Agents

Karvy Computershare Private Ltd.
17 to 24, Vittalrao Nagar, Madhapur,
Hyderabad - 500 081, India
www.karvy.com

Bankers

Union Bank of India
Axis Bank
Deutsche Bank
HDFC Bank
HSBC

Legal Advisors

J. Sagar Associates

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Letter from Chairman & Group CEO

Empowering Lives, Transforming Economies.

The main highlight of the year was the launch of three International Financial Exchanges in the same year – Singapore Mercantile Exchange (SMX) in Singapore, Global Board of Trade (GBOT) in Mauritius and Bahrain Financial Exchange (BFX) in Bahrain – which makes your Company a truly global financial institution.

"Your Group's commendable journey and entrepreneurial endeavor into the second decade of the new millennium was marked by it going truly global with a well-spread international presence. It is now well on its path to become a global leader in establishing Greenfield Exchanges and synergizing them with ecosystem ventures."

Dear Shareholders,

In my letter addressed to you in the last Annual Report for 2009-10, I shared with you our Group's Vision of transforming emerging economies by nurturing new technology centric financial exchanges in them. During the year under review, developing such exchanges has enabled the Group to expand its reach to all classes of society, and offer a transparent price discovery mechanism.

Launch of New Global Exchanges

I am happy to inform you that the second decade of this millennium saw the Group going verily global, with a well-spread international presence. The main highlight of the year 2010-11 has been the launch of three international exchanges by your Company and its subsidiaries for facilitating trading in several asset classes in the regions, in which they operate. The launch of these exchanges – Singapore Mercantile Exchange (SMX) in Singapore, Global Board of Trade (GBOT) in Mauritius and Bahrain Financial Exchange (BFX) in Bahrain – has made your Company a truly global financial institution.

What's more remarkable is that these three international exchanges have been established in three different and widely separated economic regions of the world – South-East Asia, Africa and Middle-East. As a consequence, your Company is now poised to tap the immense financial derivative business potential in these regional economies, so as to serve not only the respective regional market players, but also the global market functionaries trading in and with those regions. Having established now as many as nine financial exchanges in India and abroad, your Company is racing to compete with large global exchanges. This is in accordance with the Group's overall strategy of building a unique and unparalleled international financial ecosystem, aimed at promoting financial inclusion, thereby bringing about equitable growth.

Your Group has thus successfully created an ideal business sculpt to establish deeper and new-age financial markets across diverse geographical boundaries. At this juncture, we now keenly look forward to the launch of Bourse Africa at Botswana. This exchange will operate on the 'Hub and Spoke Model', with Botswana as the hub and its spokes reaching out to numerous African nations. Bourse Africa is aimed at establishing an effective price discovery mechanism for resources originating in Africa, and providing those who produce and trade in such resources with an efficient risk management tool. Not only will this Bourse fortify Africa's financial markets, but, more importantly, also unlock the untapped growth potential of this rather under-developed continent.

New Product Line

As for your Company's primary business of providing technology solutions, its tryst with triumph continued for its flagship product ODIN™ – a multi-exchange trading technology and risk management system. This one-stop window for technology solutions with a strong presence in three key verticals – Exchange Solutions, Brokerage Solutions and Technology Solutions – commemorated 12 years of its phenomenal success this year. As you are aware, ODIN™ is well accepted by its customers and financial markets alike, and is a leading end-to-end technology solutions provider in India's financial markets, having over 80% market share in the country.

Your Company constantly seeks to enhance its existing product line to deliver innovative and higher value-added solutions to meet the challenges arising from the ever-changing business environment. The newly developed ODIN™ 64-bit version has delivered an increase in performance, scalability and compatibility of our flagship product.

In addition to its flagship products driving growth, your Company expects its new products – ODIN™ Greek Neutralizer, ODIN™ ATS, Advanced Charting, ODIN™ Xplaza, FTNET and DMA LIVE! – introduced during 2010-11 to contribute significantly to its future growth. Your Company continues to offer other product offerings which include CnS, STP-Gate™, iNet.net, iWin, MATCH™, e-Hastakshar™ and Protector.

During the year, your Company successfully deployed a new version of its exchange technology product suite (multi-asset and multi-currency) with advanced functionalities in its flagship products DOME (Distributed Order Matching Machine), CnS (Clearing & Settlement) and Risk Management. These have been deployed at Multi-Commodity Exchange of India (MCX), MCX Stock Exchange (MCX-SX), National Spot Exchange (NSEL), SMX and GBOT.

FT Tower

Yet another major achievement during the year was the inauguration of the landmark nine-storey FT (Financial Technologies) Tower, spread over a sprawling 1.56 lakh square feet of area and accommodating over 1,600 work stations, in Andheri – the commercial hub of Mumbai.

This state-of-the-art development centre has created a unique architectural ensemble, resulting in emplacement of the Group Companies into a centralized function area. The structural and spatial design of FT Tower crafts a captivating working environment, facilitating easy communication and promoting teamwork and interaction at every level. Moving to a new company-owned premise, with facilities such as a cafeteria and a gymnasium, has inculcated a distinctive sense of belonging and elevated job satisfaction among the employees. FT Tower aims to not only create a single base for its operational activities and functional requirements, but also stands as a visible symbol of FT's identity.

Business Financials

During the year 2010-11,

- **Income from Operations** increased by 7.8% to Rs 3,308.89 million, as against Rs 3,069.87 million through the previous year.
- **EBIDTA*** at Rs 2,428.52 million was up 12.3%, compared to Rs 2,162.53 million the year before.
- **Net Profit*** was up 9.7% to reach Rs 2,062.90 million from Rs 1,880.36 million for the year ended March 31, 2010.

*Numbers mentioned are Standalone results, excluding capital gains on sale of shares, diminution in long term investments and exceptional items

Your Company continues to maintain its track record of rewarding its shareholders. It has paid 3 interim dividends aggregating Rs 6 per share (300%) and recommended a final dividend of Rs 2 per share (100%) on a face value of Rs 2 per share for the year ending March 31, 2011.

> "Your Group has well contributed in the development of efficient financial markets in diversified asset classes such as commodities, currency futures, power, etc, and continues to tap new opportunities to further develop these markets."

Business Highlights

As your Company moves ahead focused on fulfilling its vision and goals, I share with you some key business highlights for the year under review:

- **ODIN** is a leading end-to-end technology solutions provider, powering over 10 exchanges (Indian and international), deploying over 640,000 licenses. It is poised to serve more than 1,000 institutions and brokerage clients, including the top 30 public and private sector banks in India.

- **MCX** maintained its leadership position with 82% market share in the Indian commodity market space by having recorded the highest daily turnover of Rs 71,876.33 crore on March 15. It recorded an average daily turnover of Rs 32,057.01 crore, representing a rise of 53% year-on-year. MCX clocked a total trading turnover of Rs 98.42 lakh crore for the entire year under review. During the year, it launched mini futures contracts in zinc, lead and aluminum, as also micro futures contracts in iron ore and silver.

- **MCX** joined hands with Shanghai and Taiwan Futures Exchanges for developing commodity derivative markets.

- **Indian Energy Exchange (IEX)** has maintained a lead over other exchanges with 87% market share and has been the No. 1 energy exchange of the country since its inception. During the year under review, the exchange has witnessed substantial increase in volumes in the Day Ahead Market as well as Term Ahead Market. Average daily volumes for Day Ahead Market have nearly doubled to 32,330 MWh from last year. The exchange also added a new market segment for trading of Renewable Energy Certificate and also a new version of Day Ahead Market Trader Work Station.

- **National Spot Exchange (NSEL)** is India's No. 1 commodity spot exchange with over 99% market share in the electronic spot market segment. During the year, the exchange launched a unique product in the form of e-series, which enables millions of retail investors to invest in commodities in small denominations, thereby driving financial inclusion. e-gold, e-silver and e-copper have also received Shariah-Certification.

- **Singapore Mercantile Exchange (SMX)**, which went live on August 31, 2010, now offers facilities for trading in a diversified basket of commodities including futures and options contracts on precious metals, base metals, agricultural commodities, energy and indices and futures trading in various currency pairs (EUR-USD, USD-JPY and AUD-USD). Renowned financial companies, such as ICICI Bank, Morgan Stanley, NewEdge and Philip Futures have become its General Clearing Members, while NextVIEW is the financial and real-time data provider for SMX.

- **Bahrain Financial Exchange (BFX)**, the first multi-asset exchange in Middle East and North Africa region, launched on February 1, 2011, is offering for trading financial instruments across a wide range of asset classes, comprising three main categories: cash instruments, derivative contracts and Shariah-compliant Islamic products. The exchange launched its Islamic Finance division, with the establishment of 'Bait Al Bursa', thus marking the creation of the region's first exchange-operated platform dedicated to Islamic Finance products.

- Daily trade volumes on **Global Board of Trade (GBOT)** crossed US$ 50 million mark on April 18, thus multiplying five times within six months of having commenced trading on October 15, 2010. GBOT is the first exchange in the world to earn the distinction of offering two African currencies USD/MUR and ZAR/USD on its exchange platform from the first day of commencement of trading and also offers trading in EUR/USD, GBP/USD and JPY/USD. Besides this, it also offers trading in gold and silver commodity futures contracts. The exchange has collaborated with Thomson Reuters, a leading source of intelligent information for business and professionals, to provide real-time prices and exchange data.

- **National Bulk Handling Corporation (NBHC)** is a national level ISO 22000:2005 certified warehousing company and a leading integrated services enterprise for commodity and collateral management. It continues to outpace its peers in terms of growth and create value within the ecosystem, with assets under management at Rs 26,000+ crore. Conducive policy initiatives give it a further impetus to undertake long-term investments and commitments, thus enabling it to address crucial ecosystem issues, while simultaneously enhancing an unparalleled value for its stakeholders.

- **atom Technologies** provides secure and convenient payment solutions involving either IVR or mobile applications. During the year, it has tied up with over 190 merchants and processed more than 6 million transactions valuing over Rs 1,600 crore on its platform.

- **TickerPlant**, the Group's foray into real-time global financial market information dissemination, continued to make inroads into the target segments. Its unique strategy of designing user-friendly, ultra low latency, high performance and cost-effective technology products, coupled with customer centric offerings, has resulted in MarketView Terminal™, its flagship product, being adopted rapidly by market participants across various asset classes.

Corporate Social Opportunity (CSO)

This year, too, your Company made a significant impact on the society and community at large. Being strongly committed towards Corporate Social Opportunity (CSO), your Company's Management has supported various community initiatives, touching many lives by supporting social and healthcare facilities. During the year, the FT Group:

- Participated in Standard Chartered Marathon 2011's Yuva Parivartan, which works to empower deprived dropouts and youth to earn a livelihood and become useful citizens.

- Launched School=Lunch Drive and ranked second among the companies, having donated Rs 2.62 lakh to ISKCON Food Relief and Foundation.

- Launched 4th All India Blood Donation Drive, with 356 blood units collected.

- Observed HIV-AIDS Day, held workshops for female employees and community, and participated in Awareness on HIV Prevention.

- Launched "Joy of Giving Week" with participation in Mobile Creches, workshop on toy making, and cloth donation drive.

- Launched Savings Campaign for Postal Recurring Deposit Scheme, in association with India Post.

Empowering Lives, Transforming Economies.

In its recent report, The International Monetary Fund (IMF) observed that, "The fastest growth in recent years has come from the emerging markets, which helped offset the deep downturns in the United States and other rich nations faced due to the recession in 2008."

The emerging market economies are at a point of inflection as they gain traction more quickly than their advanced counterparts, and become central engines for economic growth across the globe. The rapidly growing markets of these economies support global expansion, thus underlying their importance in reshaping the international financial landscape. Emerging nations are destined to give rise to major financial, commercial and technological players on the world stage.

As financial markets in these fast growing economies move ahead with much vigour, their future rests on the four supporting pillars – products, market structure, technology and regulation. It is by building a vigourous financial ecosystem on these four pillars that your Company aims to transform the emerging economies of Asia and Africa, empower the masses there, and change their lives for the better.

FOFM™ Leadership Summit

Your Group's vehicle to drive its vision of redesigning the financial market infrastructure aimed at empowering lives and transforming economies is the Future of Financial Markets (FOFM™) Leadership Summit, its annual leadership event. This platform continues to foster ahead year-after-year with a strong endeavor to engage thought-leaders of the financial markets at a strategic level. Held in January this year at Hotel Renaissance Mumbai, the Summit was attended by over 500 Senior Management Leaders from the financial world, including nearly 100 speakers from 10 countries, who participated in as many as 15 Tracks and Keynote Addresses. FOFM Summit was supported by 22 partners. In summary, the Summit was nothing short of the 'Davos of Indian Financial Markets'.

The Next Decade

The present year 2011-12 will be a defining one for your Company, as the new international exchanges set up by the Group will scale up their operations. During this decade also, the Group sees value being generated from the new exchanges, as also from the ever-widening market participatory base in them, bringing "markets to the masses" for the benefit of all stakeholders.

Your Company's focus will continue to be on execution and enlargement of its technology business, taking its exchanges and ecosystems to the next level of growth and making them more profitable. Its domain expertise in establishing and operating next-generation financial exchanges, coupled with the Group's global partnerships and strategic alliances, will take it to a new high in its march across continents.

As we complete another year, I am happy to whole-heartedly acknowledge your unrelenting support towards the activities and achievements of the Group as a whole, and the flagship company in particular. I am also thankful to our Board of Directors, Advisory Board, Regulatory authorities, my colleagues and all the stakeholders for their unstinted support and guidance.

Thank You.

Jignesh Shah
Chairman & Group CEO

Financial Technologies Group Overview

Group Overview

Exchange Business

Commodity

Derivatives

Spot

Multi-Asset, Commodities & Derivatives

Singapore

Mauritius

Bahrain

Botswana

Dubai

Forex Spot

Energy

Financial

Technology

The Financial Technologies Group offers a unique business model integrating its domain knowledge of end-to-end IT-enabled transaction and exchange technology with creating and operating exchanges. Under the exchange vertical, the Group has 9 greenfield exchanges connecting the fastest-growing economies of Africa, Middle East, India and Southeast Asia. The Group's 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, the Group 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.

Technologies

Business

CnS

Match™

STP-Gate™

Ecosystem Business

Clearing

MCX-SX CLEAR

Commodity & Collateral Management

NBHC™ National Bulk Handling Corporation Ltd. Adding Value to Commodities

Payments Processing

atom™ the 'new way' to pay

Information Digital Broadcasting

Ticker™

Knowledge Training

FTKMC FINANCIAL TECHNOLOGIES KNOWLEDGE MANAGEMENT CO.

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. The Group's ecosystem vertical addresses upstream and downstream opportunities to support its exchanges, including clearing, depository, information vending, and payment gateway, among others. Non-linear business model of the Group not only builds unprecedented shareholder value, but also helps democratise global trade, transform economies and empower ordinary people by unlocking value from the middle and bottom of the socio-economic pyramid.

Product Overview

		Products	Markets					
			Commodity		Equity		Forex	
			Derivatives	Spot	Derivatives	Cash	Derivatives	Spot
Exchange Solutions		DOME	✓	✓	✓	✓	✓	✓
Exchange Solutions		CnS	✓	✓	✓	✓	✓	✓
Exchange Solutions		FX-Direct™	–	–	–	–	✓	✓
Exchange Solutions		Fovea™	✓	✓	✓	✓	✓	✓
Exchange Solutions		Risk Management	✓	✓	✓	✓	✓	✓
Exchange Solutions		TRADEDART™	✓	✓	✓	–	✓	✓
Exchange Solutions		MarketXstream™	✓	✓	✓	✓	✓	✓
Exchange Solutions		DMATS™	✓	✓	✓	✓	NA	NA
Exchange Solutions		ECS	✓	✓	✓	✓	✓	✓
Brokerage Solutions	Front Office	ODIN™	✓	✓	✓	✓	✓	–
Brokerage Solutions	Front Office	ODIN™ IOB	✓	✓	✓	✓	–	–
Brokerage Solutions	Front Office	ODIN™ Diet	✓	✓	✓	✓	✓	–
Brokerage Solutions	Front Office	iNet.net	✓	✓	✓	✓	✓	–
Brokerage Solutions	Front Office	iWin	✓	✓	✓	✓	✓	–
Brokerage Solutions	Front Office	DMA LIVE!	–	–	✓	✓	✓	–
Brokerage Solutions	Front Office	ODIN™ Program Trading	✓	–	✓	✓	✓	–
Brokerage Solutions	Front Office	ODIN™ Greek Neutralizer	–	–	✓	✓	–	–
Brokerage Solutions	Front Office	ODIN™ Advanced Charting	✓	–	✓	✓	✓	–
Brokerage Solutions	Front Office	ODIN™ ATLAS	✓	–	✓	✓	✓	–
Brokerage Solutions	Middle Office	Protector	✓	–	✓	✓	✓	–
Brokerage Solutions	Back Office	e-Hastakshar™	✓	–	✓	✓	✓	–
Brokerage Solutions	Back Office	MATCH™*	✓	–	✓	✓	✓	–
Brokerage Solutions	Back Office	MATCH™ Int**	✓	–	✓	✓	✓	–
Solutions	Connectivity	FTNET	–	–	✓	✓	✓	–
Solutions	Messaging	STP-Gate™	–	–	✓	✓	–	–
Solutions	Consulting	ESG	Services Offered: IT Consultancy		Process Consultancy		Quality Assurance	Facility Management

Features	URL
A multi-asset and multi-currency exchange trading solution platform covering all stages of a trade lifecycle.	www.ftindia.com/dome
A multi-asset and multi-currency clearing and settlement system for commodity, equity, fixed income and currency markets.	www.ftindia.com/cns
A state-of-the-art online matching and dealing platform for inter-bank foreign exchange trading that facilitates real-time, anonymous deal matching currently for Spot USD/INR trades between banks in the country.	www.ftindia.com/fxdirect
An agile system that enables surveillance on trading activities for exchanges or regulators and also business monitoring for market makers.	www.ftindia.com/fovea
A pro-active, real time solution that provides advanced analytics and quantification of Value at Risk (VaR) based on the combination defined in CME-SPAN® and thumb rule.	www.ftindia.com/riskmanagement
A web-based trading platform empowering various industries or sectors to create multiple types of auctions, continuous trading, OTC and innovative marketplaces.	www.ftindia.com/tradedart
A low latency, real time, high throughput application with complete market depth dissemination to meet the growing demands of exchanges worldwide.	www.ftindia.com/marketxstream
A state-of-the-art system that integrates technology and security to maintain and transact different types of assets in the electronic form.	www.ftindia.com/dmats
A sub-division of Exchange Technology that empowers the exchanges with customized development and seamless deployment as per specific business needs.	www.ftindia.com/ecs
A multi-exchange, front-office trading with many functionalities required for dealers and risk management system which makes trading on multiple markets easier through the use of a single application.	www.ftindia.com/odin
A FIX enabled single console advanced front-end trading application with increased operational ease and execution efficiency for domestic & international institutional dealers.	www.ftindia.com/odiniob
An application-based trading front-end for exchange members' end-clients as it facilitates higher accessibility and availability through very low bandwidth.	www.ftindia.com/odindiet
An online browser-based multi-exchange, trading application catering to a wide spectrum of financial market users, a trading software supporting e-exchange trading between retail clients and trading members and an integrated trading front-end for multiple exchanges.	www.ftindia.com/inetnet
A multi-market wireless internet mobile dealing desk application that facilitates market participants to stay connected on a real-time basis.	www.ftindia.com/iwin
A direct market access services suite for the buy-side and sell-side to improve operational efficiencies, reduce transaction costs, thus resulting in low market impact and ensure non-disclosure of the market participant.	www.ftindia.com/dmalive
An automated trading system that provides a comprehensive list of in-built program trading strategies which allows users to leverage arbitrage opportunities in Cash v/s Futures, Cross Commodities, among others.	www.ftindia.com/odinpt
A solution that facilitates Real-Time Greek values and allows users to neutralize the Delta, Gamma and Vega for traded portfolio effectively. It enables Option Traders to continuously estimate the risk in overall traded positions.	www.ftindia.com/greekneutralizer
A comprehensive advanced charting solution in ODIN™, ODIN™ Diet and iNet.net that allows users to harness the potential of charts to time the markets better and tap profit-making opportunities.	www.ftindia.com/advancedcharting
A special trading application which allows jobbers to efficiently execute orders at lightning speed across various market segments and traders to program their execution to capture a favorable price movement effectively.	www.ftindia.com/odinatlas
An online post-trade, pre-acceptance risk management solution that enables members to mitigate risks in equity, equity derivatives as well as exchange-traded currency and commodity segments.	www.ftindia.com/protector
A unique document signing solution that enables seamless and secured flow of information in electronic form using digital certificates.	www.ftindia.com/ehastakshar
A multi-user, multi-exchange, multi-asset, multi-branch integrated back office accounting, inventory and settlement system, which addresses the needs of exchange-traded back office operations of retail and institutional broking houses.	www.ftindia.com/match
A multi-user, multi-exchange, multi-asset, multi-branch, multi-currency integrated back office accounting, inventory and settlement system, catering to exchange-traded back office processing needs of multiple countries.	www.ftindia.com/match
A fully-managed FIX compliant global network that offers reliable access to major liquidity sources across multiple asset classes to increase operational efficiency and lessen human intervention.	www.ftindia.com/ftnet
A robust, secure and straight-through-transaction processing platform that provides online interface between fund houses, custodians and trading members, based on ISO 15022 messages, and offers messaging solutions for equity as well as derivatives segment.	www.ftindia.com/stpgate
An advisory and knowledge imparting initiative set up with an objective to add value to clients' businesses in all industry verticals, give them technological edge in a competitive market and also maximize an organization's gains from its IT investments.	www.ftindia.com/esg

*MATCH™ supported exchanges are BSE, NSE, MCX, NCDEX, MCX-SX, NSE-CR, USE
**MATCH™ Int supported exchanges are DFM (Dubai), DGCX (Dubai), Tadawul Stock Exchange (Saudi Arabia), ADX (Abu Dhabi)

Human Resources Overview

The Financial Technologies Group considers its employees as intellectual assets, key to its success and rapid growth. It attributes the Group's prolific growth to its immensely talented workforce and strong belief that a quality and talented workforce can go a long way in making our Group a financial behemoth and the 'Most Preferred Workplace' in the years to come.

Each FTian is unique and special in his own way and we as an organization cherish and celebrate these diversities and believe in celebrating the multifariousness of our employees. We present the highlights of various initiatives taken on the Human Resources (HR) front during the year under review (Fiscal Year 2010-11).

Talent Management

The Group has a unique combination of very talented employees with updated technical and functional abilities, combined with an enduring interest, expertise and hands-on experience in global financial markets. Our diverse employee base comprises talent acquired from across the world including regions like India, Asia, Africa, Middle East, Europe and United States to manage the various international ventures the Group has set up globally.

In fact, it is through these international ventures and initiatives that the Group is offering its employees international careers in their area of expertise, talent and capabilities. Many of the existing employees of the Group have been reassigned with newer projects and moved to new ventures set up by the Group in Singapore, Bahrain, Mauritius, among others.

Learning & Development Initiatives

Your Company is a strong believer of keeping its employees abreast of the latest emerging industry and technology trends and sharpening their edges by way of various Employee Enrichment Programs and training initiatives, aimed at upgrading their technical, soft and functional skills as well as leadership abilities. During Fiscal Year 2010-11, over 1,700 man-hours of training was deployed to new employees.

Learning at the first level is imparted through a structured and comprehensive Induction Program on the day of joining, enabling new employees to get a quick and valuable insight about the organization as a whole as well as its policies & procedures, thereby ensuring a quicker fit into the culture.

Talent Acquisition

Your Company consciously follows the spirit of 'Affirmative Action Policy' for hiring and sourcing talent. We hire highly talented management and technical graduates by way of elaborate and extensive campus placements, job portals and consultants, and provide them with immense opportunities for an exciting and rewarding career ahead.

PARICHAY, our Group's Employee Referral Scheme, contributes the most amongst our various human resource sourcing channels – 44% this year – a clear employee endorsement of the just and excellent work culture prevailing within. The journey of a new employee commences with a detailed Induction Programme, a well-defined Job Description (JD) and Key Result Areas (KRA) to facilitate a satisfying career growth.

Employee Engagement

Being a technology company, your Company has ably deployed technology in all aspects of its administration, including the HR Department, so as to ensure maximum and quick information flow to result in apt decision-making and less stress for the employees. Our half-yearly KRA evaluation and Annual Potential Assessments are conducted online, mandatorily followed by a face-to-face interaction with the Manager for accurate assessment of employees and for their career development.

Our project on 'Paperless HR' completed last year, ensures online availability of employee records in HRIS. Hire Track, the recruitment software implemented in March 2011, will help smoothen and hasten our recruitment process over time.

The 'Great Place to Work' survey was conducted to understand employee perception on practices, culture, career growth, etc, and the requisite feedback is being used to set an edifice in formulating future HR activities.

Health & Safety Initiatives

Your Company believes in building an employee-centric culture, with a free flow of communication, ideas and innovative thinking encouraged throughout the organizational structure. This is aimed at supporting and nurturing our employees and framing policies that ensure their well-being.

Each employee is valued and considered critical to the organization's success in delivering its shared vision and mission. Our Employee Wellness Programme includes regular health-related Diagnostic Workshops, Lifestyle Management, Cancer Clinic, and Hemoglobin Checks for Women, Annual Health Check Plan for senior employees, aimed at improving the quality of their lives.

Fun at Work Initiatives

Your Company endeavors to develop a culture of deep-rooted bonding with its employees and that of fun and enjoyment through our Employee Connect Events and making the workplace an enjoyable experience. Your Company makes sure your events are based on unique themes inviting maximum employee participation, based on their interests and capabilities.

Some of our key events celebrated during the year under review are: STILLS 2010 – A Corporate Photography festival, Independence Day, Diwali Celebration, Junior's Day, JOSH 2011 – Annual Sportz Meet and Women's Day. We are proud to mention that 5 of our stills were nominated by the Special Jury in 'Top 65 Stills' category and received a Certificate of Photographer of Eminence each, while one still emerged as the Runner-Up among 'Most Voted Stills'.

Appreciation

Our constant efforts aimed at betterment of our employees have won us recognition. Listed below are some HR Awards that our Director - Operations & HR, Mr. Paras Ajmera, won during the year under review:

- Asia's Best Employer Brand Awards

  Awarded the prestigious Strategic HR Leader honor at Asia's Best Employer Brand Awards 2010 organized by World HRD Congress at Suntec, Singapore.

- Future Talent Leader Award

  Awarded the Future Talent Leader Award at Talent challenge 2010 Awards held at Royal Garden Hotel, London.

- 1st Achievers and Leaders Award

  Awarded the 1st Achievers and Leaders Award for Excellence in Talent Management at the SIAS Partnership Summit & Achievers Award at Colombo, Sri Lanka.

- Most Powerful HR Professionals of India

  Mr. Paras Ajmera and Ms. Shalaka Gadekar were featured in World HRD Congress's 3rd Edition (2010) of Most Powerful HR Professionals of India.

- 5th Employer Branding Awards

  Won the prestigious and highly acclaimed award 'Excellence in HR through Technology (usage of innovative technology in HR Processes) and Innovation in Recruitment (Innovation in Recruitment for Parichay Scheme)' at the 5th Employer Branding Awards organized by World HRD Congress.

Awards & Recognition

Financial Technologies Group won the prestigious and highly acclaimed award 'Excellence in HR through Technology' and 'Innovation in Recruitment' at the 5th **Employer Branding Awards organized by World HRD Congress**

MCX awarded as 'Best Commodity Exchange of the Year' from **Bombay Bullion Association in 2010**

NSEL won **FOW Award for Innovation 2010** under the category 'Best Exchange in Product Innovation in the field of Product Design' in South East Asia and Australasia. NSEL is the first Indian exchange across all asset classes to bag this award.

MCX received the 'Financial Inclusion Award 2011' from **SKOCH Foundation**

atom bagged the 'Financial Inclusion Award 2011' from **SKOCH Foundation**

MCX bagged **FICCI Socio Economic Development Foundation (SEDF)** 'Corporate Social Responsibility Award 2009-10'

MCX received the **NASSCOM Foundation** 'Social Innovation Honors 2010'

MCX won the 5th **INDY'S Awards** under the category of 'Best in Corporate Social Responsibility Practice'

6 Years At a Glance

Standalone

Financial Performance

(Excluding Capital Gains on sale of shares, diminution in long term investments and exceptional items)

For the Financial Year Ended	2006	2007	2008	2009	2010	2011
Total Income	962.57	1,741.32	2,311.27	4,994.13	4,113.50	4,378.05
EBITDA	642.71	1,186.62	1,384.38	3,292.32	2,162.53	2,428.52
Profit After Tax	482.35	989.72	969.99	2,702.17	1,880.36	2,062.90

In Rs Million

Financial Position

For the Financial Year Ended	2006	2007	2008	2009	2010	2011
Fixed Assets (Net)	91.75	690.64	2,072.61	2,841.08	2,739.16	4,245.35
Investments*	1,602.46	4,143.83	13,743.26	14,444.65	20,019.48	18,607.08
Cash and Cash Equivalents*	1,142.26	2,957.60	12,112.31	11,617.23	10,094.63	9,024.63
Debt	-	4,344.17	3,994.51	4,610.98	4,085.17	4,040.83
Networth	1,510.18	1,986.60	14,693.78	17,496.99	20,416.63	20,604.64

*Includes investment in mutual funds

In Rs Million

Ratio Analysis

Performance Ratios

(Excluding Capital Gains on sale of shares, diminution in long term investments and exceptional items)

For the Financial Year Ended	2006	2007	2008	2009	2010	2011
EBITDA/Total Income	67%	68%	60%	66%	53%	55%
Effective Tax Rate: Tax/PBT	24%	15%	22%	16%	11%	11%
PAT/Total Income	50%	57%	42%	54%	46%	47%

Per Share Ratios

(Including Capital Gains on sale of shares, diminution in long term investments and exceptional items)

For the Financial Year Ended	2006	2007	2008	2009	2010	2011
Basic EPS	9.65	22.85	214.15	80.33	74.97	19.95
Book Value	34.32	45.05	320.24	381.33	443.08	447.16
Dividend per share	6.00	8.00	20.00	10.00	8.00	8.00

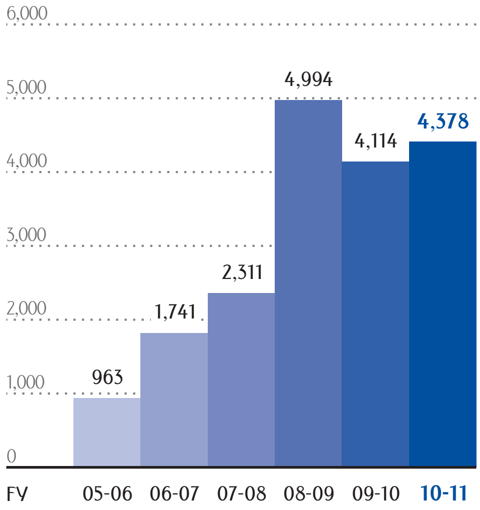
In Rs

Financial Highlights

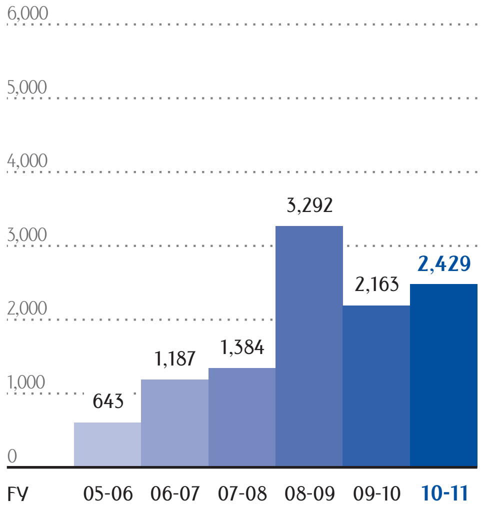
FINANCIAL GROWTH (Standalone)

Excluding Capital Gains on sale of shares, diminution in long term investments & exceptional items

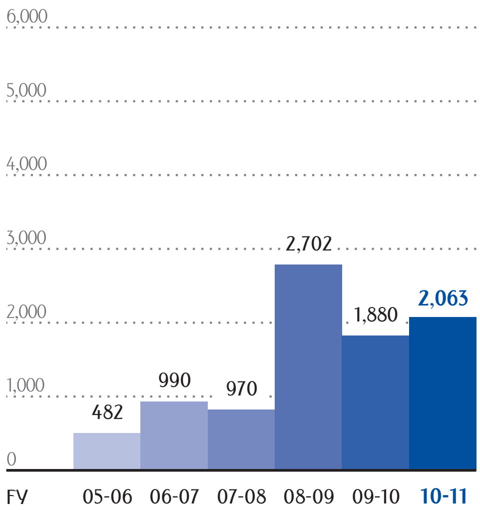
TOTAL INCOME
Rs Million



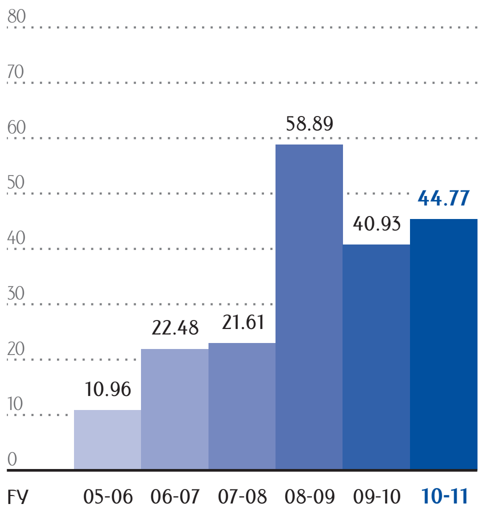
EBITDA
Rs Million



PAT
Rs Million



Basic EPS
Rs per share



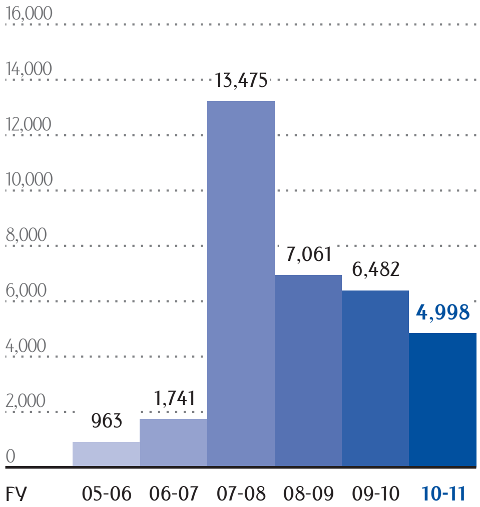
Financial Year: April - March

FINANCIAL GROWTH (Standalone)

Including Capital Gains on sale of shares, diminution in long term investments & exceptional items

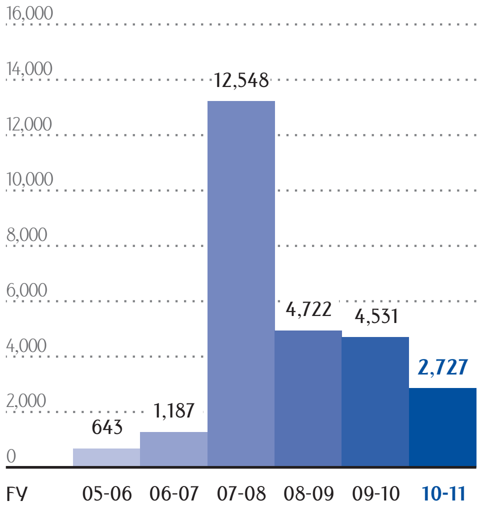
TOTAL INCOME

Rs Million



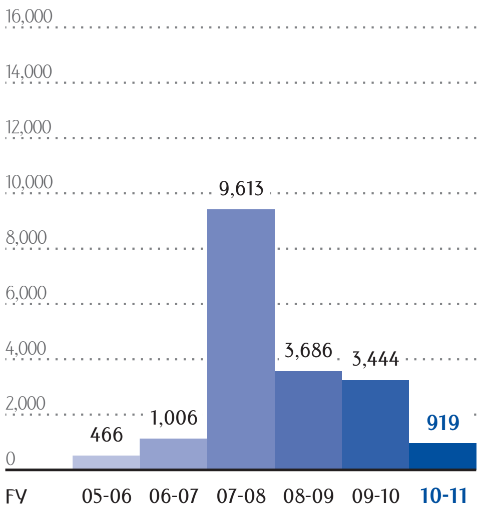
EBITDA

Rs Million



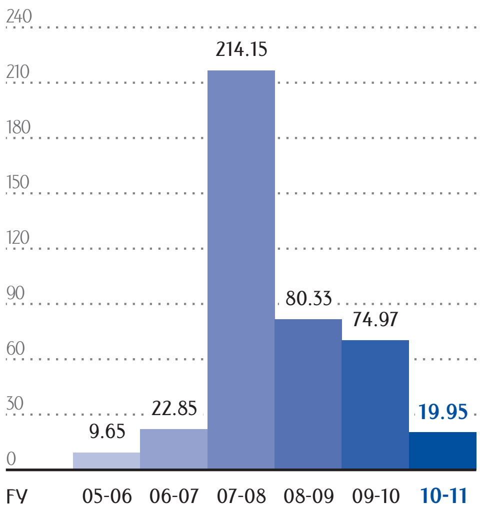
PAT

Rs Million



Basic EPS

Rs per share



Financial Year: April - March

Global Presence

Corporate Office

Financial Technologies (India) Ltd.

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Exchange Ventures

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National Spot Exchange Ltd.
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Andheri (East),
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Indian Energy Exchange Ltd.
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Ecosystem Ventures

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International Exchanges

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DUBAI

Dubai Gold & Commodities Exchange

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F: +9714 361 1617
info@dgcx.ae
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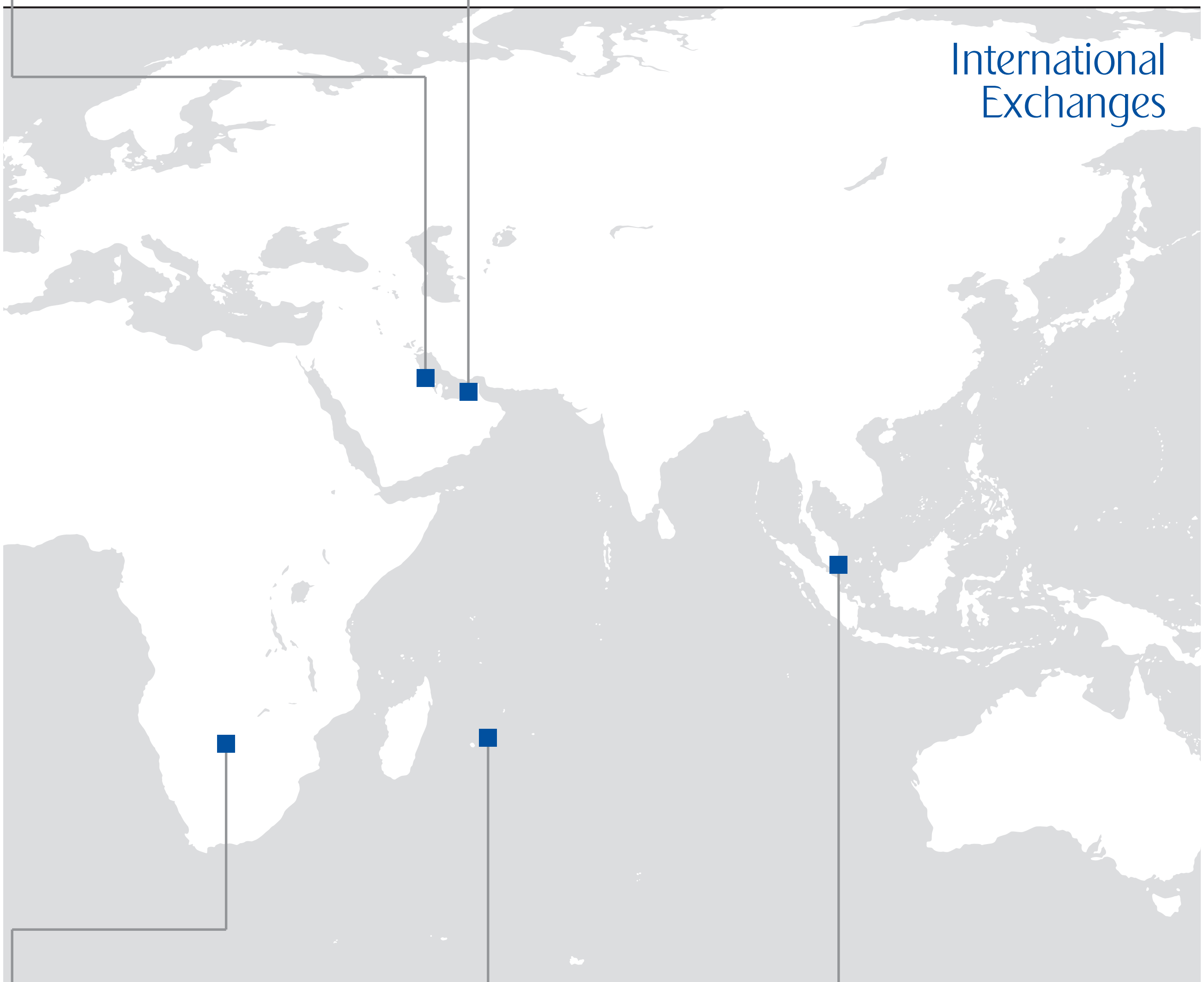

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Articles by Industry Experts

ASIA

Commodities in Asia: A Global Growth Story

Jayant Manglik
President
Religare Commodities

As the President of Religare Commodities Ltd., Jayant Manglik is responsible for managing the overall strategic growth and profitability of the business. Additionally he also provides strategic direction to the entire retail research practice and product development across all asset classes under Religare's broking umbrella.

The Asian economic miracle of the last decade has unleashed a seemingly irreversible process of wealth reallocation from the West to the East. One of the foremost symbols of this change has been the unprecedented growth of the commodity markets in Asia and their immense contribution to the overall growth of the Asian economy. China and India have led this change with élan, clearly riding out the recession which has the developed world in some trouble. Rising from decades of economic mediocrity, the Chindia story has become a major factor in driving consumption and can be counted as the world's most influential countries in determining the direction of global fund flows.

Though statistics may not always do justice to show up the dramatic effect Asia has had on the world's economic climate in the last decade, there are some interesting numbers from the Asian Development Bank (ADB) which predict that by 2015, developing Asia's commodity demand will reach 43% of world demand for agricultural commodities, 27% for energy and 50% for mineral ores. This would have been exceptionally unusual if discussed 20 years ago, but after a decade of sustained growth, such an estimate now is quite normal. According to ADB, the share of the developed world (including the US, EU and Japan) in terms of percentage of commodity demand will drop, whereas Developing Asia (ADB's 10 developing member countries, excluding Japan) will be the gainer.

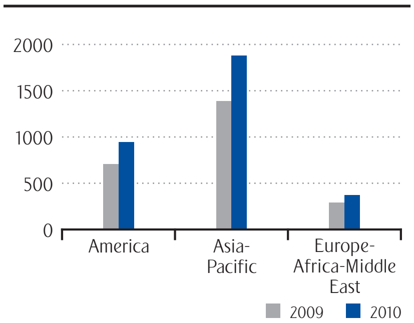
Having said this, it is still too early to state that the economic centre of the world has permanently shifted and that Asian business cycles will now determine commodity prices. The strength of the new Asian story is 'consumption-led growth', though the supply side is still dominated by the rest of the world. Between China and India, we have had relatively slower and arguably healthier growth leading to urbanization, industrialization and infrastructure development, all of which create additional demand for primary commodities. This clearly represents a longer term trend and it is therefore natural to think ahead and plan for a suitable regulatory environment, which will sustain the development process. Active regulation on this part has ensured an eye-popping 53% year-on-year growth in Indian commodity market volumes. Ranked in terms of number of futures contracts traded in 2010 in

*The views expressed in this article are the author's personal views and are not expressed in his official capacity

commodity exchanges across the world, the Multi Commodity Exchange of India (MCX), India's largest commodity exchange, ranks first in silver, second in gold, copper & natural gas and third in crude oil. Overall, Shanghai Futures Exchange was the world's largest commodity exchange in 2010, while China's Dalian Commodity Exchange is the second largest exchange in agri-commodities with a 29% market share. Even within Asia, the dominance of China and India is evident as both exchanges tower over TOCOM which is Japan's largest commodity exchange and saw much action in its heydays in the eighties. The graph below shows the year-on-year increase in volumes from 2009 to 2010 with slow growth in America and MENA and high growth in Asian markets during the same period.

With a solid consumption story and a strong need for best-in-class hedging platforms, Asian commodity markets are well placed to make further inroads into global commodity markets. The time is ripe too, because the western markets are struggling to find the right balance between risk, regulation and business. While a common commodity market between China and India would be a coup which could effectively change the global economic power equation overnight, that is unlikely to happen in the foreseeable future. So Asia's exchange based commodity with little of the sophistication is needed to ensure a genuine shift of commodity business from the West to the East till there is organic growth. Asia cannot afford to have commodity markets which offer less than others across the world; we must offer more to permanently swing commodity market volumes from the West to East.

Volumes in Commodity Options & Futures Contracts (In Million)



Source: www.fow.com

The Asian commodity exchanges have growing volumes, but they hardly do justice to the huge physicals of commodities produced or consumed there. The exchanges here may host half the global exchange-based commodity derivatives trades, but are limited to the markets of China and India which, due to regulatory restrictions, do not allow foreign participation, and thus, automatically exclude half the universe of commodity consumers. Again, options too are disallowed in these markets. To become a global hub for commodity trading, these two requirements will simply have to be addressed: an open market where all stakeholders, without exception, are allowed to participate in the price discovery process and the availability of all products like options which will attract increased participation and enable proper risk management.

> "A strong India is tipped to lead the so-called third wave of growth from Asia and this is leading to increased interest in the financial world in general, and exchanges in particular, to harness the new opportunity."

Even on the physical commodities, the emerging Asian economies are taking the lead as new growth engines in driving global economic recovery on the strength of their rising production and consumption and also playing a critical role in sustenance of world economic growth.

To be fair, both China and India are treading each move of commodity markets cautiously because of their extensive social, economic and political implications. Foreign speculative inflows are a major point of discussion. Participants from foreign countries are not allowed to trade here. Banks, Mutual Funds and Financial Institutions are not allowed to participate in domestic exchange trading as their large positions can influence commodity prices and affect headline inflation. One limitation which Asia faces is that growth is mainly being driven by China and India. Japanese markets are still a fraction of what they were at their peak in the late eighties. Singapore has Sicom and Singapore Mercantile Exchange (SMX) endeavoring to make inroads in the commodity futures markets. Hong Kong Mercantile Exchange (HKMEx) also went live in May 2011. This internal competition will help drive innovation and aid the overall effort to bring increased commodity trade to Asia.

A leader in this segment, India has taken several steps in broadening and deepening the financial markets and developed the financial market infrastructure with formulation of a new-age policy framework. This has resulted in high FII participation in domestic equity markets. The entire effort was a follow up of the conscious liberalization policy unveiled in 1991. Competition was encouraged and today we have 5 National level commodity exchanges with a couple more awaiting approval from the regulator. Eventually a common multi-asset clearing house will help facilitate common clearing and that, in conjunction with approval to allow new commodity market participants as well as new products like options, will quickly ensure India's position as commodity markets of global significance. Feeding on India's strength as an agricultural powerhouse and the requirements of the farmers, negotiable warehouse receipts have been introduced which will facilitate loans to farmers at reasonable rates. A lot of these changes have come due to appreciation of the role of exchanges in providing price stability in commodities. With increased awareness, smart money is chasing commodities across the world as also in India.

All of this has a purpose and that is financial inclusion. India has taken several steps in driving financial inclusion and enabling equitable growth, thus empowering lives in emerging economies. India's now-legendary middle class and the economic momentum of the last few years have put real purchasing power in peoples' hands. ADB estimates that if consumption expenditure in Asia continues to grow at roughly the same rate as the past 20 years, then by 2030 Developing Asia will likely reach US$ 32 trillion in annual expenditure and comprise about 43% of worldwide consumption. This truly makes commodities in Asia a global growth story.

ASIA

Structural Reforms to Unleash India's Growth Potential

Manasije Mishra
MD & CEO
HSBC InvestDirect

Manasije Mishra is the Chief Executive Officer of HSBC InvestDirect (India) since November 2008. He has gained extensive domestic and international experience and skills in building businesses in various positions in the HSBC Group.

Since the financial crisis in 2008, the developed world has been grappling with two basic problems: (i) wealth destruction, both at national and individual level, and (ii) fall in growth prospects. The emerging countries, particularly those driven by domestic consumption and investment, largely remained undeterred. The emerging economies helped pull back global growth and demand.

As per data from World Bank, the emerging and developing economies grew 2.7% and 7.3% in 2009 and 2010, respectively. On the other hand, the advanced economies on an average recorded a growth of -3.4% and 3%, respectively, whereas developing Asia grew 7.2% and 9.5% during the same period.

Growth in GDP across economies (in %)

Region	2007	2008	2009
Emerging Asia	10.6	6.8	5.8
Emerging Asia, excluding China, India and HK SAR	5.9	3.0	0.6
Emerging Europe	7.6	4.7	(6.3)
Emerging Latin America	5.7	4.2	(2.0)
Emerging Middle-East & North Africa	6.0	4.8	1.9
Emerging Sub-Saharan Africa	7.1	5.6	2.7

Source: IMF

As for India, growth in 2009 was largely supported by government consumption. Private consumption and investment growth took over from 2010 onwards. The Government of India's stimulus package focused on fiscal measures, i.e. reduction in excise duty, export promotion policies and duty drawbacks. Government consumption expanded by 10.7% and 16.4% in 2008 and 2009, respectively. This was quickly substituted by private consumption growth and investment growth of 8.4% in 2010. In addition, preemptive policy action by the Reserve Bank of India (RBI) led to protection of the Indian financial system.

The Government's focus is expected to shift towards inclusive growth. This shift was visible in the Union Budget 2011-12 which saw an increase in allocation towards social sectors such as education, rural employment and healthcare. A highlight of Budget 2011-12 was the linking of rural employment wages to inflation, aimed at improving rural personal disposable income.

While India is still expected to grow at just under 8%, the economy faces headwinds from rising inflation and continued withdrawal of macro-economic

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> "India needs to focus on implementation to reap the benefits of the demographic dividend. Keeping pace with the aspirations of our people will require timely implementation of policies and reforms to propel infrastructure. Sustained inclusive growth can only be achieved if we are able to de-bottleneck the economy."

stimulus. Some believe that the economy has reached a natural speed limit. Capacity constraints will continue to emerge as the economy continues to operate above its potential, leading to demand-led price pressures. This has reflected in the sticky food prices and an uptrend in core inflation. Fiscal consolidation also remains a key concern.

The bottleneck on infrastructure, both physical and social, remains a key hindrance to long-term growth. The country needs to focus on implementation to reap the benefits of the demographic dividend. Keeping pace with the aspirations of our people will require timely implementation of policies and reforms to propel infrastructure. Sustained inclusive growth can only be achieved if we are able to de-bottleneck the economy.

Three examples illustrate how capacity constraints are impacting India's growth momentum:

1. **Land acquisitions:** The current legal process dates back to over a 100 years and is leading to resentment as well as delays in industrial growth. This needs to be replaced by a more inclusive and equitable process that benefits the land owners and industry.

2. **Food wastage:** India wastes over Rs 58,000 crore of food grains per annum. Storage capacity of the Food Corporation of India (FCI) has fallen 9% in the last 10 years. It is estimated that up to 50% of all fresh fruits and vegetables are wasted. There is an urgent need to build private and public infrastructure like food parks, warehouses, cold chains, etc. Encouraging the growth of organized retail and allowing Foreign Direct Investment (FDI) with a precondition to invest in the food supply chain development can speed up investment.

3. **Cash Transfer of Subsidy:** A survey by Transparency International found that one-third of Below Poverty Line (BPL) households paid a bribe to avail of public services. Inefficiency and corruption leads to significant leakages of subsidy. Using the UID infrastructure, combined with low-cost financial services, can help plug the gaps. Some state governments have also launched limited pilots and we should learn from these and scale up the roll-out of direct cash subsidy.

We will see India's working age population grow by 40% over the next four decades. In order to meet the aspirations of this massive increase in the number of potential workers, there is a dire need to unleash India's economy. We believe there are five reform priorities:-

a. Address infrastructure and skill gaps through easing labor market rigidities

b. Fire up the manufacturing sector

c. Take full advance of globalization by accessing markets, importing skills, knowhow and cheaper capital

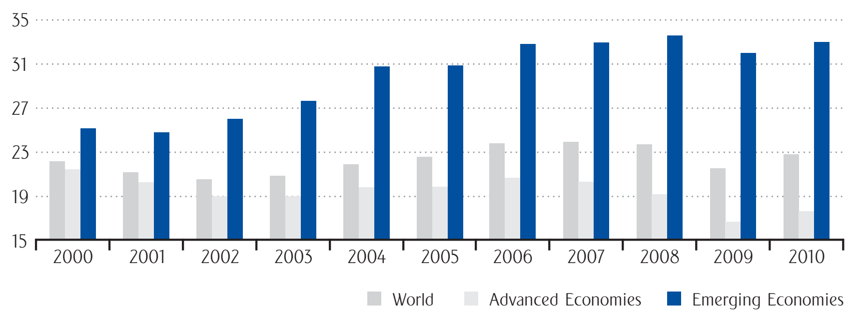
d. Develop the financial sector and focus on inclusion and better intermediation

e. Continue fiscal consolidation

> "Our policy makers are well aware of the priorities and a consensus is evolving. Pushing through structural reforms will certainly unleash India's substantial growth potential."

The good news is that the policy makers are well aware of these priorities and a consensus is evolving. Success will, of course, depend on the speed and depth of reforms as well as their execution ability. Pushing through structural reforms will certainly unleash India's substantial growth potential.

Gross National Savings (as % of GDP)



Source: IMF

ASIA

Asia: An Important Engine for Growth

Naveen Mathur
Associate Director - Commodities & Currencies
Angel Broking

With over 17 years of rich industry experience in financial markets, Naveen Mathur has been associated with Angel since January 2007. Prior to joining Angel, he worked with Religare Commodities, Karvy Consultants and BLB Limited. At Angel, he is involved in several management activities, corporate and strategic planning, besides being responsible for Commodities and Currencies businesses.

The current era in the economic trajectory is that of "economic globalization" where the advanced as well as the developing economies depend on each other. Due to the rise in global trade and with the movement of jobs and businesses from advanced economies to the emerging economies, we feel this interdependence has increased. With the help of economic globalization both the advanced as well as the emerging economies have benefitted from exchange of goods and services, or from the incorporation of financial markets at a global level.

The world's largest economy, the United States, has played a key role in economic globalization as the country has supported global growth by way of education and migration, and has offered job prospects to emerging and developing economies. This has not only increased the level of exchange of business at a global level, but has also given recognition to countries in the emerging and developing economies segment. However, the US faces its own economic concerns at this point in time, which in turn has led to a shift in focus from the advanced and developed economies to the emerging economies.

This is because the economic crisis in the US had a widespread impact on the world economy and changes in the economic fundamentals of the country have led to increased acknowledgment of the economic progress in the emerging economies.

The foundation of growth and prosperity in the emerging economies was mainly based on the back of economic issues in the US and the Euro Zone. Consistent economic development in the emerging economies has helped create an image of a phoenix that emerged out of the economic ashes. Performance of the emerging and developing economies came into limelight since the start of the 21st century after they witnessed a crisis in the 1980s and 1990s.

However, the current scenario is very different as the advanced economies are now witnessing fiscal debt issues. While the developed nations have now turned into debtors and are facing problems in containing their fiscal debt, Asian countries have changed their status and become creditors, thus making a huge economic shift that only justifies the emergence of emerging economies as global powerhouses.

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In the aftermath of the global financial crisis of 2007-2009, it is now evident that the dominance of advanced economies has come under threat. Due to un-controlled and non-restrictive policies, the advanced economies witnessed the worst recession since the Great Depression. The ultra-loose monetary policies (to counter recessionary effects) resulted into huge budget deficits, widened current account deficits and high debt at individual, corporate and government levels. Between 2007 and 2009, manufacturing growth in the developed economies also took a major hit.

In the US, average manufacturing activity in the year 2008 declined by more than 3%, indicating a pull down in growth. During the same period, manufacturing activity in the Euro zone fell by an average of 3.5%. The impact was also felt in the emerging economies but they recovered strongly thereafter. Since emerging economies are export dependant, manufacturing during the recessionary period was affected in these economies too. Manufacturing activity in South Korea, Japan, India and China fell by 1.5%, 4.2%, 3.3% and 1.8%, respectively.

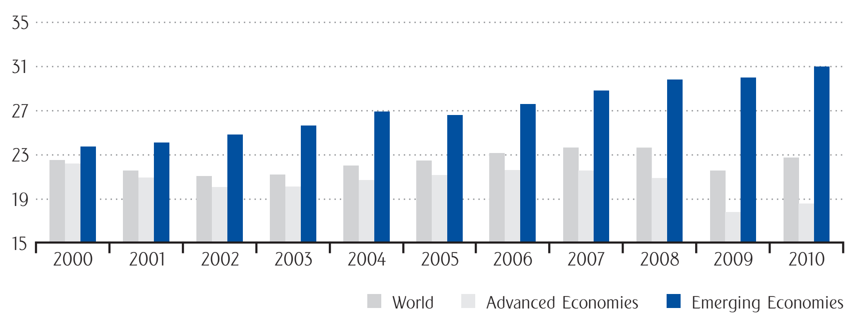
Global financial markets had recognized the growth aspect in the emerging economies much ahead of the global financial crisis. More so, developing economies remained resilient during the crisis period and provided an impetus to growth of the global economy. This factor which is termed as the de-coupling theory came into the scenario when performance of the Asian economies remained largely unaffected despite a slowdown in the economic growth in the advanced economies.

> "The economic crisis in the US had a widespread impact on world economy and changes in economic fundamentals of the country led to increased acknowledgment of the economic progress in emerging economies."

Between 1973-85, annual world GDP growth stood at 3.4% and the advanced economies accounted for around 60%, while emerging economies contributed a third. But during the period of globalization, world GDP growth averaged 3.7% where the share of advanced economies fell to around 49% and that of the emerging economies rose to 47%. Among the emerging economies, China and India have played a crucial role in the growth process. These countries maintained phenomenal growth rates, especially during the crisis and also helped boost the performance in the region. Hence, if both these countries are excluded from the growth figures of the emerging Asian economies, then the growth is not remarkable.

Overall GDP growth in emerging Asia in 2009 stood at 5.8% if China and India are included. However, when these two countries are excluded, growth falls to just about 0.6%, indicating the impact that China and India have in the emerging market space. Growth in the emerging Asian economies was far more impressive than that in the other regions between 2007-2009. Performance of emerging Europe was significantly lower than that of emerging Asia. Performance of emerging Latin America was also affected in the same year as both these regions are heavily exposed to the advanced economies. Performance in the Middle East and North Africa region was subdued in 2009 but it did not slip into the negative territory. Similar was the case with emerging sub-Saharan Africa region as both these regions are not that exposed to trade with countries in the advanced economies.

Investment in Different Economies (as % of GDP)



Source: IMF

Conclusion – Speed breakers in recovery process

Even though Asian economic growth is considered as a rescuer of world economy, this year may be a little different on the back of various concerns whether on the geo-political front or worries over rising inflation. Since central bankers have tightened monetary policy and look forward to do the same, economic growth could be impaired. Despite efforts by the central bankers of the developed world to boost economic growth and quantitative easing program of the US Federal Reserve, it may be too early to predict a sustainable recovery from hereon.

The impact of slow recovery in the advanced economies could also be negative for the Asian economies. Issues like capital inflows, rising inflation, geo-political risks, and the currency factor will remain crucial. As far as capital inflows in the emerging economies are concerned, near zero interest rates in the US could affect global economic growth to a large extent.

Low interest rates translate into hot money flows in countries that offer higher interest rate and better economic fundamentals. This is further adding to inflationary pressures and has become a major concern for the emerging economies. The de-coupling theory may not necessarily apply to the emerging economies forever. These countries are mainly export dependent and slow growth in the advanced economies will further affect demand for Asian exports.

SOUTH-EAST ASIA

Empowering Lives, Transforming Economies.

Teyu Che Chern
CEO
Phillip Futures

As Chief Executive Officer of Phillip Futures, Teyu Che Chern is responsible for developing the company's derivatives and commodities business. Che Chern has graduated with a Degree in Business Administration from National University of Singapore and previously studied at Raffles Junior College under the ASEAN scholarship.

After the 2008 recession, Asia made a major contribution to both global growth and the design of policies to deal with challenges in the post-crisis world. She has become a leading force in reshaping the global economy.

Growth and output in Asia has not only rebounded very impressively since the crisis, but also returned to its pre-crisis levels. Asia's strong recovery marks a break from the past because for the first time, Asia's contribution to a global recovery is outstripping that of other regions. This clearly points out to a resilient Asia and constantly underpins improvements in the economic framework.

The surviving qualities that helped most Asian countries out of the recession are cohesiveness and resilience. These were the qualities that supported these countries during the earlier financial crises. Asian countries have come out much stronger than most western countries and played a pivotal role of pulling the world out of recession. With Asia forecasted to grow 7% this year, Asian countries are definitely the rising stars of the world economies.

Why Asia?

Among the factors that helped Asia outperform their western counterparts were high saving rates and strong consumer spending. Asians are great savers; the Chinese gross national saving rate is about 50%, Japan, India and South Korea range from 25% to 35%, as compared to the US with a 10% savings rate. These savings have provided the buffer which drives our economies towards higher GDP levels. The combined size of Asian economies in terms of GDP is now larger than the USA. In other sectors, the combined market capitalization of Asian exchanges is comparable to the US and Europe. Its growth estimate is stronger than in other more developed economies. By 2020, Asia is expected to account for about 43% (or almost half) of the global GDP – an excellent indicator of business opportunities in Asia.

However, the bigger challenge is how to successfully channel the large pools of savings in most Asian countries to investments in financial products. If Asia can unlock the value of these high savings rates and turn private capital into investment in local and regional markets, that capital will, without a doubt, become

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a booster for regional financial centres. Although the growth rates of Asian economies are impressive, Asia overall still suffers from fragmented market policies. Bureaucratic hurdles and infrastructure shortcomings are also factors that contributed to deficiencies in foreign investments. Foreign investors are uncertain about legality and protectionism. There remain restrictions and hurdles to overcome.

A key challenge is the lack of mobility of capital and currency. In that regard, regional co-operation towards a gradual liberalization of capital is helpful. For example, the steps taken towards establishment of an Asian bond market. Several Asian markets have gradually deregulated and are lifting capital controls and reducing foreign investment restrictions. This has helped to make Asian markets more accessible and support new financial and product innovation. We also need to develop further investor and financial market sophistication.

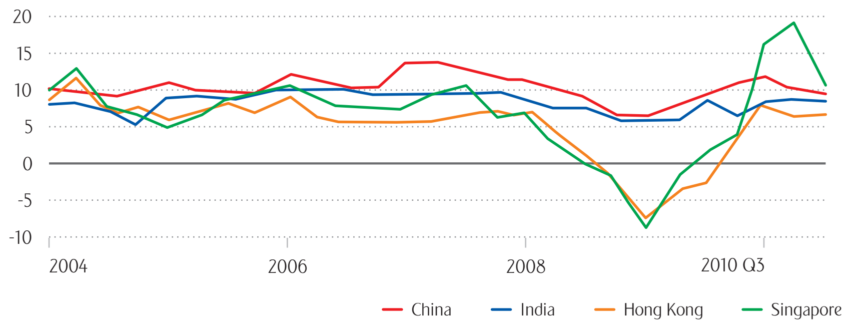
Why Singapore?

Singapore has managed to attract many financial services firms and hedge funds to set up regional operations on the island. The reasons underlying this is confidence in its well-organised financial institutions, a pro-business and efficient environment, cost-competitiveness, a highly skilled and cosmopolitan labor force, coupled with strong regulatory framework and tax-friendly policies, ancillary services such as legal and accounting are reasonably priced, relative to other global financial hubs. Singapore is also the fifth-largest foreign exchange trading centre in the world, according to the 2010 Triennial Central Bank Survey, with average daily turnover volume in foreign exchange at US$ 266 billion in 2010, mainly contributed by transactions in EUR/USD, USD/YEN, GBP/USD and USD/SGD. This constitutes 5.3% of the worldly transactions, thus placing Singapore at the 4th place together with Switzerland and Hong Kong SAR.

> "In just over four decades, Singapore has established itself as a thriving financial centre of international repute, serving not only the domestic economy, but also the wider Asia-Pacific region."

Singapore has long been recognized as one of the best cities for business. In the Swiss-based International Institution for Management Development's 2010 Competitiveness Yearbook, Singapore has been ranked as the most competitive country in the world. This is what a World Bank report had to say about doing business in Singapore "It takes an entrepreneur just over 6 working days to get a new business going in Singapore, with low start-up costs. Overall, taking into account other factors including business licensing, taxes, credit legal rights and investor protection, Singapore has the most business-friendly regulation in the world."

GDP Growth: Asia



Source: CEIC and MAS

Strategic Thrusts

To further reposition Singapore as a major financial centre, the monetary authorities here are driving initiatives to develop regional and global niches in financial services in terms of depth and international market share of selected financial activities. It also aims to attract finance and ancillary professionals to study, research, work and live here. The strategic trusts envision Singapore not only as a regional leader in Wealth Management and global processing centre, but also an Asia Pacific risk management centre. Singapore's attractive world-class business environment will facilitate the development of these niches, as well as allow the country to pro-actively capitalize on the emerging opportunities in financial services.

There have been significant changes in Singapore in the financial and derivative space, with the merging of exchanges and the advent of new players. The Singapore Commodity Exchange (Sicom) has been merged with the Singapore Exchange. The Singapore Mercantile Exchange (SMX) is the new commodity derivatives exchange on the Singapore space, which adds to its already attractive trading ecosystem. SMX will play an imperative role of facilitating trade between producers, consumers, hedgers and investors worldwide. These moves will ensure Singapore will stay relevant in the exchanges world by continuously reinventing itself and get boosted to become an even more attractive and vibrant financial hub in Asia and beyond.

As a global business city, Singapore continues to attract international companies and professionals who are seeking to invest and build a strong presence in Asia. International financial institutions such as UBS, Standard Chartered, JP Morgan and Julius Baer are expanding their presence in Asia with Singapore as their Asian headquarters. The conducive business environment here has also enabled home-grown companies, such as Phillip Futures (a member of the Phillip Capital Group), to expand and to establish a strong regional presence.

AFRICA

Africa: The Next Frontier

H.E. Dr. Milan J. N. Meetarbhan
Mauritius Ambassador to UN & Former Chief Executive of FSC

Having served five years as Chief Executive of Financial Services Commission (FSC), Mauritius, Dr. Milan J. N. Meetarbhan recently took up his new appointment as Mauritius Ambassador to the United Nations in New York. Dr. Meetarbhan has long been associated with the development of Mauritius' financial services sector. He acted as legal adviser to the Ministry of Finance during the 1980s and was also involved in setting up of the Stock Exchange of Mauritius.

In December 2010, in my farewell address to the financial services industry as the Chief Executive of the Financial Services Commission, I said "The time is for Africa". And at the end of my speech, I played the video clip of the South African World Cup, Shakira's Waka Waka "This time for Africa". I also said that I believe Africa is the next frontier for investors.

So, why is it time to look at Africa as the next frontier?

1. Africa's Growing Economy:

   Africa, the resource-rich continent of around 1 billion people, 41% of whom are below 15 years old, has been growing at an average of 4.8% per annum between 2000 and 2008. Immediately after the recent financial crisis, Africa's Gross Domestic Product (GDP) rose by 2%, whilst GDP dropped in the US, Europe and in Latin America.

   Africa is today one of the most rapidly growing regions in the world, with six African economies ranking among the 10 fastest growing economies in the world during the last decade. During the same period, many equity exchanges in Africa out-performed global indices.

A number of reports published in the last few years have highlighted the new optimism for Africa and have focused on an unprecedented investment climate, the role of the private sector and a significant hike in consumer demand.

Ernst and Young's Africa's Attractiveness Report 2011 called "It's time for Africa", states that "widespread reform has resulted in an ever improving business environment, and this, together with other factors, such as the commodities boom and increasing infrastructure investment, has contributed to a doubling of economic output over the past decade." The survey found that perceptions of investment prospects in Africa are generally positive, particularly in the medium to longer term. The survey also found that Africans themselves are especially optimistic about the prospects for the continent, underlining the growing self-confidence and belief.

*The views expressed in this article are the personal views of the author and are not expressed in his official capacity as Ambassador of the Republic of Mauritius.

In a report published in March 2011 entitled "Africa's future and the World Bank's support to it", the World Bank considered that, Sub-Saharan Africa in 2011 has an unprecedented opportunity for transformation and sustained growth.

"Putting these factors together, the World Bank concludes that Africa could be on the brink of an economic take-off, much like China was 30 years ago, and India 20 years ago."

2. Africa's Political and Institutional Systems:

The past decade has also seen considerable progress in terms of greater political stability, democratic elections and institutional reforms on the continent. The former Organization of African Unity has undergone major reforms with the organization being renamed African Union and the organs of the AU include a Pan African Parliament, a Court of Justice, a Peace and Security Council and a Commission serving as its executive arm. The African Charter of Human and Peoples Rights adopted in 1981 provides for the establishment of an African Commission of Human and Peoples Rights and an African Court of Human and People Rights - the first judges of which were elected in 2006. As the economic and the political situation gets better, Africa's voice on the world stage gets more attention.

"Africa is today one of the most rapidly growing regions in the world, with six African economies ranking among the 10 fastest growing economies in the world during the last decade."

Africa is the largest regional group at the United Nations, comprising 53 of the 192 member states of the organization. The African Union has an office in New York which coordinates the work of the African missions and helps reach common positions on various issues.

3. Financial Services Reforms:

Along with political support for regional economic integration and Preferential Trade Areas, various proposals for integration of stock exchanges have been considered in recent years.

The predominantly French-speaking countries of western and central Africa have already set up regional exchanges and economic communities, the Bourse Régionale des Valeurs Mobilières, (BRVM) the Bourse Régionale des Valeurs Mobilières d'Afrique Centrale (BVMAC), respectively.

The East African Community and the Southern African Development Community have also considered integrating regional exchanges, though the SADC proposal has made relatively less progress so far. In January 2006, African Union leaders called for consideration of the setting up of a Pan-African Stock Exchange. The AU has worked with the United Nations Economic Commission for Africa and the International Monetary Fund on the feasibility of such an exchange

In 1993, a number of Africa's exchanges came together to set up the African Securities Exchanges Association. In 1997, exchanges in the SADC region established the Committee of SADC Stock Exchanges (COSSE). Three of Africa's exchanges, (Egypt, South Africa and Mauritius) are members of the World Federation of Exchanges (WFE).

In spite of the progress made in the financial services infrastructure, Africa will have to embark on major modernization of its legal and regulatory frameworks for the corporate and financial services sectors. These should include incorporating international norms in domestic legislation and also reinforcing regulatory capacity.

With respect to the capacity to enforce the regulatory framework relating to financial services, I proposed, in February 2009, an Action Plan for Enhanced Cooperation to CISNA (a committee of financial services regulators of SADC), which called for pooling of resources within the region to enable regulators to ensure effective supervision.

The Plan provides for national regulators to develop strengths in specific areas and for regulators in the region to pool their resources so that the region as a whole can call on the collective expertise available to inter alia improve licensing and surveillance, conduct of inspections or investigations, preparing new legislation and conducting training.

This would enable regulators at the regional level to ensure both adoption and enforcement of appropriate regulation of financial services consistent with world standards which individual regulators will not always have the capacity to do on their own in the short term.

Conclusion

Africa is indeed open for business. African economies have been growing and there is greater political stability on the continent. The role of Africa in international relations has become more and more significant and skills available within the continent have also increased significantly. Governments across the continent have made major efforts to improve the investment climate and the ease of doing business in their respective countries and, in spite of the challenges ahead, Africa's prospects look better than ever before.

AFRICA

Moving From A Frontier Market to an Emerging Market

James Benoit
CEO
AfrAsia Bank

James Benoit is the CEO and Executive Director of AfrAsia Bank since its initial founding in 2007. Previously he was a global management executive with HSBC Group for 16 years in emerging and developing markets in China, Philippines, Hong Kong, Middle East, Canada and Mauritius. He has developed, implemented and grown leading consumer banking, wealth management, credit cards and corporate banking businesses in these regions with a proven ability to engage customers, regulators and staff from diverse backgrounds.

*The views expressed in this article are the author's personal views and are not expressed in his official capacity

The growth of Africa as an investment destination, a source of energy and resources and increasingly a middle class consumer economy is becoming steadily apparent. Organizations such as mine, AfrAsia Bank Ltd., with offices in Mauritius, Durban, Johannesburg and Cape Town, have been created in the last four years to specifically participate in and help create and sustain this growth. However, even just four years ago, naming ourselves "AfrAsia" was viewed as a risky strategy – people wondering if the Africa part would jeopardize our ability to be taken seriously in India, South-East Asia and Europe – all of which are important markets for our regional bank. Much as South-East Asia was viewed somewhat homogeneously 25 years ago, those on the ground and in the know, were able to figure out that certain countries and companies needed to be viewed and handled with a different, positive perspective.

There is now a vast reappraisal going on with African markets too. Africa is a continent, not a country, and as excerpts of the research below show, there are tremendous country opportunities for investment success. Plenty of pit falls too. But that was ever thus in South-East Asia in the past quarter century and indeed remains as well. I have had a privileged banking career working in South-East Asia for much of that past quarter century and I moved closer to Africa, for the second time in my career recently, to now capture the new Asia opportunity that is unfolding in Africa. Now for some hard facts and numbers.

Africa's impressive growth

An analysis by 'The Economist' finds that over the ten years to 2010, six of the world's ten fastest-growing economies were in sub-Saharan Africa. International Monetary Fund forecasts Africa will grab seven of the top ten places over the next five years (the ranking excludes countries with a population of less than 10 million as well as Iraq and Afghanistan, which could both rebound strongly in the years ahead). Over the past decade, the simple unweighted average of countries' growth rates was virtually identical in Africa and Asia. Over the next five years Africa is likely to take the lead. In other words, the average African economy will outpace its Asian counterpart.

Africa Forecast on the back of the "global economic super-cycle"

It's not just magazines and academics with no skin in the game making these forecast, but also major banks and investors making bold predictions. Sub-Saharan Africa, according to Standard Chartered Bank, will witness a growth boom of 7% annually between now and 2030. The rise is a result of political stability increasing throughout the region, a surge in population growth of 50% between 2010 and 2030, and changes in the way countries count their GDP numbers.

> "Africa is seeing a combination of capital, governance and competition which make its opportunities truly compelling. It is now attracting the business attention it deserves rather than aid flows."

Not to mention a new source of demand and support. According to Standard Chartered: Even though the region's share of exports to Asia may currently be relatively small compared to that of the West, Asian demand should continue to help Africa via higher commodity prices. Moreover, China is providing development aid to Africa and helping to build infrastructure.

More than a resource boom

McKinsey Consulting provides an array of substantial data which underlines the growth rates noted above. They note that Africa has indeed benefitted from the surge in commodity prices over the past decade. Oil rose from less than US$ 20 a barrel in 1999 to more than US$ 145 in 2008. Prices for minerals, grain, and other raw materials also soared on rising global demand.

Yet the commodity boom explains only part of Africa's broader growth story. Natural resources, and the related government spending they financed, generated just 32% of Africa's GDP growth from 2000 through 2008. The remaining two-thirds came from other sectors, including wholesale and retail, transportation, telecommunications, and manufacturing.

The key reasons behind this growth surge included government action to end armed conflicts, improve macroeconomic conditions, and undertake microeconomic reforms to create a better business climate.

African governments increasingly adopted policies to energize markets. They privatized state-owned enterprises, increased the openness of trade, lowered corporate taxes, strengthened regulatory and legal systems, and provided critical physical and social infrastructure. Nigeria privatized more than 116 enterprises between 1999 and 2006, for example, and Morocco and Egypt struck free-trade agreements with major export partners.

Africa is a vast continent and market but it must be tackled country by country. The above themes and data are not relevant to all countries in Africa of course and the overall macroeconomics above need to be put into action by skilled operators with hands on knowledge of the region and prepared to be actively engaged in the region. And we are seeing just that. Recently it was reported that Sir Bob Geldof, one of Africa's longest and most devoted champions, is raising a US$ 1 billion private equity fund for the continent. Helios Investment Partners of London with Nigerian partners is closing on US$ 900 million. Carlyle Group is also setting up offices. And big banks like JP Morgan, HSBC and Standard Chartered on also looking to expand.

> "Even though Africa's share of exports to Asia may currently be relatively small compared to that of the West, Asian demand should continue to help Africa via higher commodity prices."

Banks like AfrAsia Bank are also poised to make substantial investments which leverage our skills sets and the use of Mauritius as a regional financial jurisdiction. More than ever, Africa is seeing a combination of capital, governance and competition which makes its opportunities truly compelling. It is now attracting the business attention it deserves rather than aid flows for which it has become too infamous. That is what makes it sustainable this time.

■■■

World's ten fastest-growing economies*

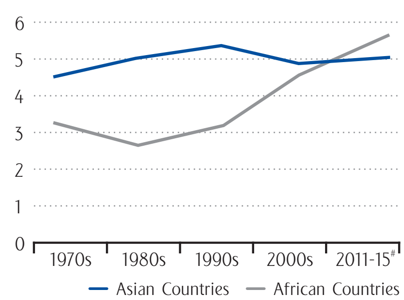
In terms of annual average GDP % Growth

2001-2010^		2011-2015#	
Angola	11.1	China	9.5
China	10.5	India	8.2
Myanmar	10.3	Ethiopia	8.1
Nigeria	8.9	Mozambique	7.7
Ethiopia	8.4	Tanzania	7.2
Kazakhstan	8.2	Vietnam	7.2
Chad	7.9	Congo	7.0
Mozambique	7.9	Ghana	7.0
Cambodia	7.7	Zambia	6.9
Rwanda	7.6	Nigeria	6.8

Sources: The Economist; IMF

Real GDP Growth

In terms of unweighted annual average %



*Excluding countries with less than 10m population, Iraq & Afghanistan

^2010 estimate #Forecast

MIDDLE-EAST

GCC States: Powerful New Actors in Global Economy

Silvan Varghese
COO
Khaleeji Commercial Bank, Bahrain

Silvan Varghese serves as the Chief Operating Officer at Khaleeji Commercial Bank, Bahrain. He has over 20 years experience in banking and financial services industry in the areas of risk and credit management, project finance, corporate banking and general management.

*The views expressed in this article are the author's personal views and are not expressed in his official capacity

Out of the ashes of the global economic crisis emerged a seemingly new reality - the economic ascendancy of the Gulf Co-operation Council (GCC) states. The GCC region, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE), has undergone rapid economic, demographic and social changes in the last two decades. According to estimates of the Economic Intelligence Unit (EIU), since 1999, GCC's real GDP has expanded by an annual average of 5.2% and by a cumulative total of 65%. In the first decade of the 21st century, the GCC has emerged as a powerful entity and visibly deepened its involvement in global issues ranging from energy governance to the global financial architecture.

Global Financial Crisis: Its Impact

The GCC nations have not been left unscathed by the financial crisis. Transmission of the crisis to GCC was through a contraction in global economic activity and decline in oil prices, plunging asset prices and financial deleveraging.

However, the GCC nation's countries confronted the crisis strongly. The GCC was impacted by two significant events arising from the financial crisis; the sustained free-fall in international oil prices (the single most important indicator of Gulf economic health). Oil prices declined from a peak of US$ 144 a barrel in mid-2008 to US$ 32 in December of the same year, mainly due to a fall in worldwide demand. As a result, the GCC suffered a large drop in revenues.

Regulatory Response to Crisis: Active and Swift

What separates the GCC countries from others in the region and in the world is the active and swift regulatory response to the crisis. The GCC countries are familiar with vagaries of oil markets. Flush with petroleum revenues in the 1970s when oil prices recorded a long period of prosperity, these countries experienced high levels of government spending, only to face harsh budget realities when oil prices plummeted. But this time, the six governments of the GCC saved a significant portion of their oil revenues during the 2003-08 oil boom, by accumulating reserves and amassing large sovereign wealth funds. They spent prudently, investing in physical infrastructure and human capital and some countries also paid debt. Saudi Arabia, for example, reduced its debt to 13% of GDP by 2008-end, from more than 100% a decade earlier. As a result, GCC governments were able to contain the impact of the worst-ever global economic crisis.

> "GCC countries have a vital role to play in stimulating the next cycle of global economic growth. Indeed the region is emerging as a third destination vital for a transformational and sustainable recovery and growth, after China and India."

Strong Recovery and Economic Ascendancy of GCC

The rise of China and India in the past few years, coupled with mounting evidence of structural problems in the western economies, has created a widespread perception that economic power is shifting eastward. The GCC countries have a vital role to play in stimulating the next cycle of global economic growth, according to many observers. Indeed the GCC is emerging as a third destination vital for a transformational and sustainable recovery and growth, after China and India.

Real GDP growth in GCC is estimated to have recovered to 4.8% in 2010 as against near zero growth in 2009. The recovery was helped by higher public infrastructure spending and oil prices, in addition to decisive and strong government intervention during the financial crisis. Although the global economic outlook for 2011 remains uncertain, outlook for GCC economies is positive. Over the next decade or more, strong economic growth should be underpinned by GCC's integration, demographics and energy advantages and by a range of investments already underway. The GCC's geographical location, coupled with its cultivation of diplomatic and trade links with key Asian and African states, suggest that it is in a strong position to benefit from expected growth in the developing world. GCC states are already developing their trade and investment in these regions and seeking to build stronger links with key economies. The GCC is a single market, which still enjoys enviable rates of growth and is approaching US$ 1 trillion in terms of GDP – the equivalent of India.

The GCC will grow in importance as an economic and trading hub. And by 2020, the region is expected to become a US$ 2 trillion economy, providing nearly one-quarter of the world's oil supplies as well as increasing quantities of gas, petrochemicals, metals and plastics. GCC's share of the world economy is expected to grow steadily between now and 2020. The pace of growth in this region will be slightly higher than aggregate global growth with an annual average of 4.5% in real terms compared with 3.3% globally. A report by Goldman Sachs concludes that the ideal position for the GCC is between the BRICS and the developed world. According to their estimate, by 2050, GCC will be one of the most prosperous regions in the world (on per capita basis) and will likely achieve promotion to the league of developed countries with the region's GDP well above that of UK and Germany and moving closer to Japan.

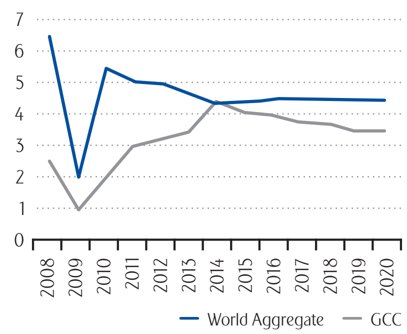
GCC States – An Opportunity

The recent re-balancing of geo-political and economic power has focused world attention on GCC- not only as exporters of oil and gas, but also as exporters of capital and as a destination for investments. As western economic growth slowed down, GCC investors have begun to diversify their assets more widely, making investments in Asia, Africa and within the Gulf region itself.

Industrializing economies in Asia are intensifying their trade links with the Gulf. Moreover, GCC sovereign wealth funds (SWFs) have built up sizable assets as a result of the recent oil boom reaching US$ 2 trillion and have become influential players in the global investment market. The region will continue to fund new investment, especially at this difficult time for the world economy.

Expected robust growth, along with the region's affluence and abundant natural resources, point to a continued and strong market demand, which makes the GCC nations attractive prospects for foreign investors. GCC states are expected to continue to invest in essential areas such as infrastructure, education, healthcare, etc, to build an attractive business environment for international investors seeking access to this growing market.

Real Growth in GCC & the word (% change)



Source: EIU estimates

Over the coming decades, as the GCC moves towards the league of developed countries, the structure and nature of these economies will be transformed. There will be greater transparency, further growth, institutionalisation and deepening of capital markets, thus increasing the potential for financial inclusion and enabling equitable growth.

MIDDLE-EAST

The Middle East, the Global Financial Crisis & the Arab Spring

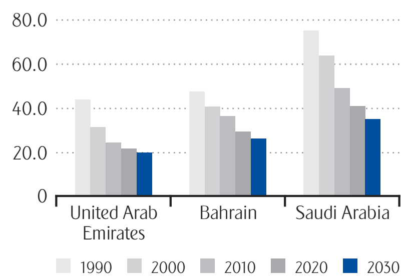
Simon Eedle

Global Head - Islamic Banking
Credit Agricole

Simon Eedle has been associated with financial markets for 26 years, the last 20 of which have been with Credit Agricole Group. Before taking up his existing position, he gained a wealth of experience in the capital markets arena by handling a number of high profile assignments internationally for the Group.

For the past seven decades, the Middle East has been a focal point for not only the Arab-Israeli conflicts and the proxy wars of the United States and the Soviet Union, but also for its formidable presence and contribution to the global economy and the financial markets. This has been solidified in the oil shock of 1973 and the subsequent stock market crash of 1973-74. Thus is the interest it now commands from the developed world, as not only a part of the Emerging Markets, but also a region of significant importance to ensure world peace and stability.

Youth Population (% of total population)



Source: BMI

The Middle East, within the wider Middle East & North African (MENA) region, is known globally as the energy hub of the world, with 11 (out of 18 MENA countries) being hydrocarbon-based economies. To put things into perspective, the MENA region holds 70% of the global oil reserves and contributes almost 35% of the world's total crude production. However, uniformity among these economies has never been the theme, as significant divergences in demographic and economic figures make it ever so difficult to look at the region as one homogeneous unit. Therefore, zooming further into the Middle East, it is worth focusing on the Gulf Co-operation Council (GCC) countries, consisting of six Arab countries of the Persian Gulf which alone hold 40% of the global oil reserves and contribute 15% of global oil crude production. The wealth of GCC (within the wider Middle East) is quantified by considering that the region makes up 19% of the Middle East population, yet boosts 60% of the region's GDP (according to 2010 figures). This is also evident by its average GDP per capita being almost twice as much as the average GDP per capita for the Middle East region.

*The views expressed in this article are the author's personal views and are not expressed in his official capacity

With oil prices starting to break all-time high records starting in 2007, and until it reached their all-time high of US$ 147.25 a barrel back in 2008, the GCC economies have managed to amass and record huge surpluses, and allowed to reinvest these petro-dollars to shore up their infrastructures and diversify their economies away from being hydrocarbon-based. However, ever since the global financial markets started shaking, the GCC has been taken for a roller-coaster ride, trying to avert any major impact to its now more vibrant economy. The question remains: Have they managed to do so, and will the measures taken be long-lived?

The Global Financial Crisis: A Prelude to Days Ahead

The global financial crisis – following several years of consistent global growth – although foreseen to some and well expected by the others, its magnitude and scope took everyone at the time by surprise.

The GCC countries, with the turn of the new millennium, had one thing in mind: "We will not be blessed with oil & gas forever, and we need to diversify away." Diversification was the keyword in all GCC countries to varying degrees and with higher level of urgency in some (Bahrain & Oman) than others (Saudi Arabia & Kuwait), but all recognized that it had to be done, and now was the perfect time.

Boosted by the capacity to do so with rising prices of oil and the accumulated petrodollars, the Sovereign Wealth Funds of the GCC countries amassed more than US$ 1.5 trillion in foreign assets by investing in global financial markets.

Moreover, towards the end of 2008, the combined value of projects planned/underway in the GCC exceeded US$ 2 trillion. Combined with an average GDP growth of over 8% over the period 2005-2008, the GCC was unrecognizable from 10 years ago, and the future looked bright.

> "With the help of accumulated petro-dollars and swift intervention by the states, the GCC countries managed to cushion the impact of the world economic crisis and eventually make a soft landing."

This illusion was short-lived as 2008 saw the global financial markets crumble at a whirlwind pace. The GCC's currency pegs to the US$ (apart from Kuwait which manages a currency basket, yet heavily US$-weighted) not only meant imported inflation, a tight coupling with the US economy, but a very limited control over its monetary policies.

The Arab Spring

The geopolitical risk in the Gulf region has always been a major factor to consider when thinking about the prospects of the region. This has mainly been due to the tension Iran provides to the west of the Persian Gulf and the risk of disrupting the global oil supply if these tensions simmer. The wider Arab-Iranian-Israeli conflict has always been there, but to a lesser degree become a part of the status quo.

However, an ever-growing youth population – and a mostly disgruntled one – added to a shrinking middle class, the widening gap between the rich and the poor, and widespread corruption across the Arab world brought about an unaccounted for risk from within. Starting in Tunisia, on Christmas eve of 2010, mass demonstrations calling for political and socio-economic rights led to the downfall of their President of more than 20 years.

The ripple effects of the Tunisian revolution stormed the Arab world from the Atlantic to the Persian Gulf, with Egypt, Bahrain, Libya, Yemen, Oman, Syria, Morocco, Jordan and Iraq experiencing mass street demonstrations. With obvious differences between countries, the response from the rulers to these mass uprisings has varied.

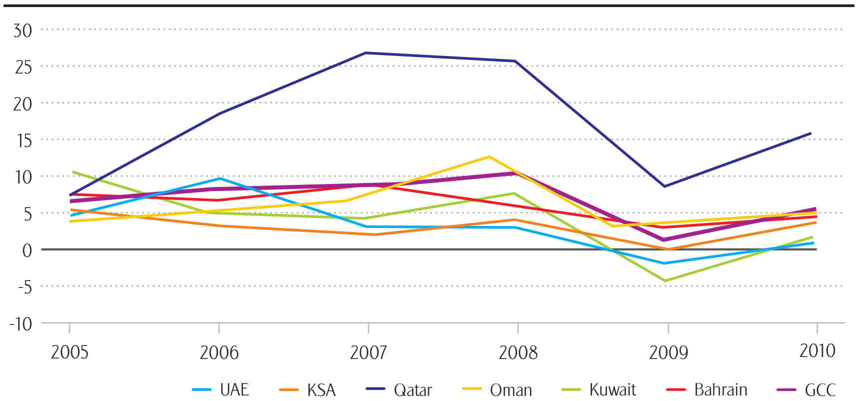
However, spending their way out of the financial crisis, and following that with more spending to avert any internal uprising without addressing the core and fundamental problems of both can prove to be a short-sighted policy.

The past three years have uncovered many socio-economic and political grievances within the citizens of the GCC. These are issues that if not addressed, with sustainable long-term solutions, will only build up to erupt again in the future. Hedging the bets on the availability of the same amounts to spend freely can be dangerous.

With Chinese PMI figures showing a slowdown in growth, and a potentially growing housing bubble, and then followed by weak U.S. labor figures in May, which could see the "double-dip recession" scenario materialize, the GCC could be in for another round of maneuvering.

The best solutions are the permanent ones and the GCC should be looking for them.

Real GDP Growth (in %)

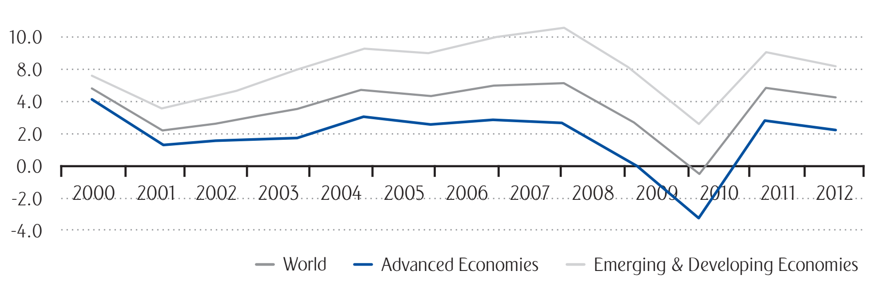


Source: BMI

The Ascent of the Emerging Economies

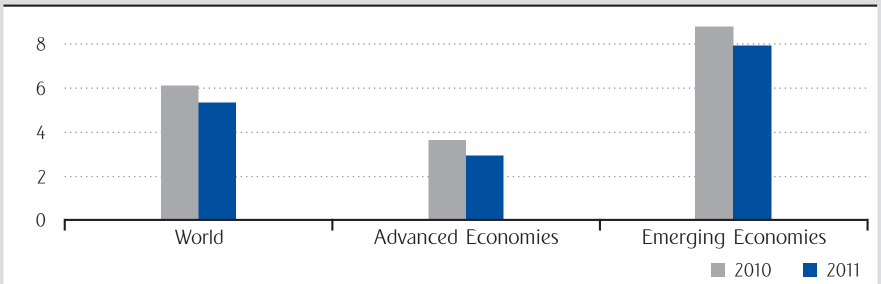
In the last few years, emerging economies have offered a foundation for major leaps forward in almost every arena of global markets and their trade therein. The way the world interacts with emerging economies has changed and everyone is reaping the potential advantages and socio-economic benefits in the global financial sphere, which are not limited by national borders. Here are some statistics that will showcase the growth indicators of these emerging economies, such as Rising Demand, Investments and their Gross Domestic Product (GDP) over the years.

GDP at Constant Price (% Change)



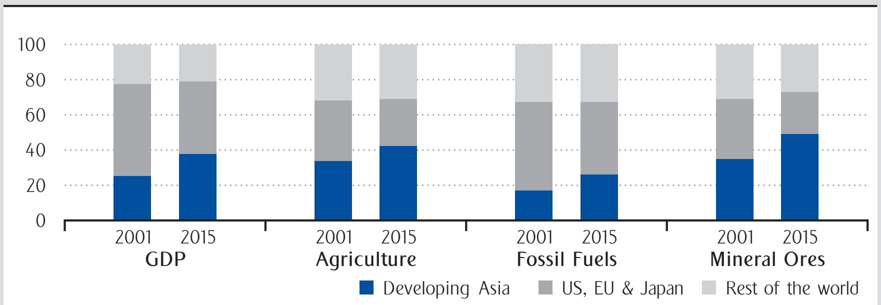
Source: Reuters

Global Indicators (GDP Growth in %)



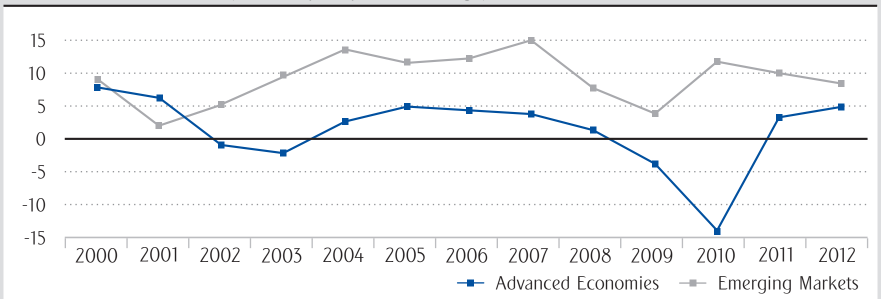
Source: IMF

Total Demand (in %)



Source: ADB GEMAT model simulations; staff calculations

Global Investment* (Year-on-year percent change)



Source: IMF, WEO Database

*Advanced Economies includes France, Germany, Italy, the United Kingdom, and the United States. Emerging Markets include 36 economies from Africa, Asia, Europe and Latin America.

Courtesy: Ideos Communications

AFRICA
Mauritius

Directors' Report

Directors' Report

To,

The Members,

Your Directors present the Twenty Third Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2011.

Financial Performance

(Rs in Million, except per share data)

Particulars	Current year 2010-11	Previous year 2009-10
Total Income	4,997.51	6,481.78
Total Operating Expenditure	2,270.53	1,950.97
EBITDA	**2,726.98**	**4,530.81**
Interest	7.04	0.16
Depreciation/Amortization	110.89	58.92
Profit before tax and exceptional item	**2,609.05**	**4,471.73**
Exceptional item	2,091.65	-
Profit before tax	**517.40**	**4,471.73**
Provision for taxation	(401.95)	1,028.07
Profit after Tax	**919.35**	**3,443.66**
Add: Balance b/f from previous Year	13,759.28	11,095.99
Balance Available for appropriation	14,678.63	14,539.65
Appropriations		
Final dividend (proposed)	92.16	92.16
Interim dividend	276.47	275.72
Tax on dividend	60.51	62.49
Transfer to General Reserve	124.00	350.00
Balance C/f to Balance Sheet	14,125.49	13,759.28
Earnings per share (before exceptional item & tax effect there on)		
Basic (Rs)	49.92	74.97
Diluted (Rs)	49.92	74.96
Earnings per share (after exceptional item)		
Basic (Rs)	19.95	74.97
Diluted (Rs)	19.95	74.96

Results of Operations

During the year, the total revenue of the company is at Rs 3,308.89 million (net of excise duty) against total revenue of Rs 3,069.87 million in the previous year, an increase of 7.8%. The total profit after tax is Rs 919.35 million against profit after tax of Rs 3,443.66 million in the previous year.

Business Overview: Fiscal Year 2010-11

Your Group has three business verticals – Technology, Exchange & Ecosystem – comprising a network of 9 tech-centric Exchange Ventures and 5 Ecosystem Ventures, which together connect financial markets in the fast-growing economies of Africa, Middle East, India and South-East Asia; precisely the vision of Mr. Jignesh Shah, Chairman & Group CEO – that of creating a financial ecosystem on the backbone of technology, aimed at broadening and deepening the markets, thereby driving financial inclusion.

In the Technology vertical, your Group offers technology IP to create and trade on next-generation financial markets across diverse asset classes. During the year, your Company deployed a new version of its Exchange Technology suite at MCX, MCX-SX, NSEL, SMX and GBOT.

In Brokerage Solutions, ODIN – your Company's flagship product in broking solutions – continues to be ranked as No. 1 front-end electronic trading platform with over 80% market share in India, having bagged more than 6,40,000 licenses. Your Company believes that the ODIN™ 64-bit version has delivered an increase in performance, scalability and compatibility of our flagship product. It released new features in ODIN (Greek Neutralizer, an advanced component for option traders to neutralize the Delta, Gamma and Vega) for the traded portfolio. It has also introduced Advanced Charting, a new charting module in ODIN™ that enables tapping profit-making opportunities effectively.

The highlight of the year under review was the launch of 3 international exchanges – Singapore Mercantile Exchange (SMX) in Singapore, Global Board of Trade (GBOT) in Mauritius and Bahrain Financial Exchange (BFX) in Bahrain – aimed at enabling trading in a wide spectrum of asset classes in the regions in which they operate. With this commendable achievement, your Company has well established itself as the creator and operator of modern and tech-centric exchanges across the fast-growing economies of Asia, Middle East and Africa. While MCX continues its leadership position in India's commodity futures market with an 82% market share, Indian Energy Exchange (IEX) and National Spot Exchange of India (NSEL) command an 87% and 99% market share, respectively.

Through its Ecosystem vertical, your Company addresses upstream and downstream opportunities around financial exchanges including warehousing, collateral management, information vending, and payment gateways, among others, with a dominant position in some of its ecosystem ventures, such as National Bulk Handling Corporation (NBHC), atom Technologies and TickerPlant.

More information on all the three verticals can be accessed in the section on Management Discussion & Analysis (MD&A).

Dividend

During the year under review, your Company paid three interim dividends totaling Rs 276.47 million (Rs 6 per share on par value of Rs 2 per share i.e. 300%). The Directors recommended a final dividend of Rs 2 per share i.e. 100% on par value of Rs 2, subject to the approval of the shareholders at the ensuing Annual General Meeting. The total dividend – including interim and final – aggregated Rs 8 per share, i.e. 400% on par value of Rs 2 each for the financial year ended March 31, 2011 (previous year Rs 8 per share on par value of Rs 2 each i.e. 400%). The total appropriation on account of interim and final dividend and tax thereon amounts to Rs 429.14 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:

(Rs in Million except dividend per share data)

	Interim Dividends			Final Dividend	**Total**
	1rd Interim	2rd Interim	3rd Interim	Proposed	
Dividend per share	Rs 2	Rs 2	Rs 2	Rs 2	Rs 8
Dividend	92.16	92.16	92.15	92.16	368.63
Tax	15.31	15.31	15.31	14.58	60.51
TOTAL	**107.46**	**107.46**	**107.46**	**107.11**	**429.14**

Transfer to Reserves

The Company proposes to transfer Rs 124 million to General Reserve out of the amount of Rs 14,678.63 million available for appropriations and an amount of Rs 14,125.49 million is proposed to be retained in Profit and Loss Account.

Share Capital and Foreign Currency Convertible Bonds (FCCBs)

a) Equity

There was no change in the Share Capital of the Company during the year under review. As on March 31, 2011, the paid-up Share Capital of your Company stood at Rs 92.16 million comprising 46,078,537 equity shares of Rs 2 each.

b) Zero Coupon Foreign Currency Convertible Bonds (ZCCBs)

As on March 31, 2011, 90,500 ZCCBs having face value of US$ 1,000 each were outstanding.

Investment

At the end of year, your Company's Investment stood at Rs 18,607.08 million, as compared to Rs 20,019.48 million in 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 attached audited financial statements.

Infrastructure

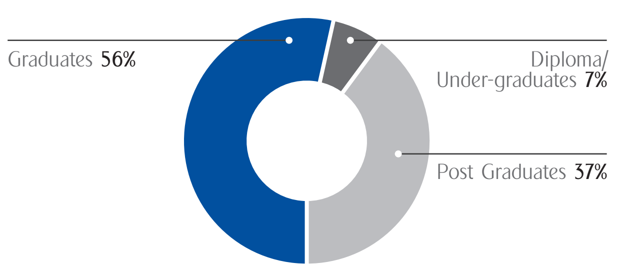
During the year, your Company consolidated its operations by shifting its rented/leased premises to owned state-of-the-art facility admeasuring 1.56 lakh sq. ft. at FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (E), Mumbai - 400 093. During the year, your Company commenced its operations from SEEPZ, MIDC, Andheri (E), Mumbai – 400 096, which will accommodate over 250 seats.

Human Resource Development

At the Financial Technologies Group, the Human Resource (HR) function is to develop and sustain a culture where every employee is recognized and valued for their contribution and good work. Your Company believes in attracting and retaining people by providing a combination of benefits, such as personal growth and performance-based compensation to them. Your Company is committed to create a favorable work environment which motivates performance and provides opportunity and growth to all its employees. Your Company takes utmost care to ensure a comfortable working environment and provide the best available facilities, viz., library, gymnasium, cafeteria, etc. to the employees.

As of March 31, 2011, the total employee strength (excluding Group Companies) stood at 1,138.

Qualification Wise Break-up



Awards and Recognition

Some of the awards your Company won during the year are:

- Awarded Excellence in HR through Technology and Award for Innovation in Recruitment at 5th Employer Branding Awards organized by World HRD Congress 2011 in February 2011.
- Awarded 1st Achievers and Leaders Award for Excellence in Talent Management at SIAS Partnership Summit and Achievers Awards in December 2010.
- In 3rd publication of World HRD Congress awarded as "Most Powerful HR Professionals of India" in October 2010.
- Awarded the title at Asia's Best Employer Brand Awards in July 2010.

Your Group Companies won the following awards:

- MCX was awarded "Best Commodity Exchange of the Year" from Bombay Bullion Association in 2010
- MCX received the 'Financial Inclusion Award 2011' from SKOCH Foundation
- MCX bagged FICCI Socio Economic Development Foundation (SEDF) Corporate Social Responsibility Award 2009-10
- MCX received the NASSCOM Foundation Social Innovation Honors 2010
- MCX won 5th INDY'S Awards under the category of Best in Corporate Social Responsibility Practice
- NSEL won FOW Award for Innovation 2010 under the category "Best Exchange in Product Innovation in the field of product design" in South East Asia and Australasia. NSEL is the first Indian exchange across all asset classes to bag this award.
- atom bagged the 'Financial Inclusion Award 2011' from SKOCH Foundation

Subsidiaries

During the year

A. Your Company incorporated/set up two subsidiary Companies namely:
   a) Financial Technologies Projects Pvt. Ltd. (FTPPL), Mauritius, incorporated on April 23, 2010, and
   b) FT Projects Ltd. (FTPL) incorporated on May 18, 2010, in India.

B. Your Company exited as JV Partner of "SAFAL National Exchange of India Limited" by entering into a settlement along with MCX and Mother Dairy Fruit and Vegetable Private Limited ("Mother Dairy") inter alia agreeing to terminate the joint venture and to amalgamate Safal with Mother Dairy.

The Central Government has granted general exemption from complying with Section 212 of the Companies Act, 1956 to all companies vide Notification number 5/12/2007-CL-III dated February 8, 2011.

In terms of the exemption vide notification as stated above, the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors of the Subsidiaries have not been attached with the Annual Report of the Company.

The Annual Accounts of the subsidiary companies will be made available upon request by any shareholder of the Company interested in obtaining the same. Pursuant to 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.

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 towards creating world-class enterprises in nature of Exchanges and Ecosystem Ventures. As a matter of policy, your Company carries out transactions with related parties on an arm's length basis.

Statement of these transactions appears in the Notes to Accounts attached in compliance of Accounting Standard No. AS-18.

Employees Stock Option Plan (ESOP)

During the year under review, ESOP 2005 Scheme ceases, hence the number of options in force and outstanding under ESOP 2005 Scheme as at the end of the year are 'NIL'.

In the current year there are no transactions. Requisite disclosure including previous year in respect of the Employee Stock Option Scheme 2005 in terms of Guidelines of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Share Purchase Scheme) Guidelines 1999 has been provided in Annexure "B" in this Report.

The consent of the Shareholders was obtained for ESOP-2009 and ESOP-2010 Schemes, but the Schemes are yet to be implemented by your Company.

Quality

With an ongoing quest to achieve excellence in products and services offered, your Company continues to monitor and maintain its effective and well-designed Quality Management Framework. This Framework is aligned to the business objectives of the organization and thus ensures that your Company is focused on providing the appropriate assurances to its stakeholders and clients. Your company also has adequate Risk Management practices implemented to ensure that uninterrupted services are provided to its customers.

Your Company has undertaken a continuous journey towards Quality and is committed to improve its already existing robust processes and delivery for quality products and services. It is this commitment that has resulted in your Company being re-certified for the ISO 9001:2008 certification for its Quality Management System.

Further, your Company endeavors to deliver secure, reliable and effective solutions to its customers, thereby ensuring confidentiality, integrity and security of customer information and data. Aligned to this goal, your Company has also got itself re-certified for the ISO/IEC 27001:2005 (Information Security Management) certification during this year. These certifications affirm its vision of becoming a globally recognized organization that provides high quality software and business solutions and also indicates our commitment towards being a 'Quality Driven' organization.

Risk Management

During the year, the Risk Management Committee (RMC) met twice. The 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, its Group Entities and Business Units on a continuous basis.

Insurance

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

Internal Audit and Controls

The findings of the Internal Auditors during the year are discussed with the process owners and suitable corrective and proactive actions have been taken, as per the directions of the Audit Committee on an on-going basis to improve operational efficiencies.

Corporate Governance

Your Company is committed to good Corporate Governance practices. The report on Corporate Governance, stipulated by Clause 49 of the Listing Agreement, is annexed hereto, and forms a part of this Annual Report.

A Certificate from the Auditors of the Company regarding 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 is attached separately with this Report.

Corporate Social Opportunity

This year, too, your Company made a significant impact on the society and community at large. Being strongly committed towards Corporate Social Opportunity (CSO), your Company's Management has supported various community initiatives, touching many lives by supporting social and healthcare projects. Some of these activities are as follows:

- Participated in Standard Chartered Marathon 2011's Yuva Parivartan, which works to empower deprived dropouts and youth to earn a livelihood and become useful citizens.

- Launched School=Lunch Drive: Financial Technologies Group (FTG) was amongst the top 2 companies to have donated Rs 2.62 Lakh to ISKCON Food Relief Foundation.
- Launched 4th All India Blood Donation Drive with 356 blood units collected.
- Observed HIV-AIDS Day, held workshops for female employees and community, participated in Awareness on HIV Prevention.
- Launched Joy of Giving Week with participation in Mobile Creches, workshops on toy making and cloth donation drive.
- Launched Savings Campaign on Postal Recurring Deposit, in association with India Post.

Directors

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. P. G. Kakodkar and Mr. Chandrakant Kamdar, Directors of your Company, retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer themselves for re-appointment. During the year, the Board of Directors appointed Mr. C. M. Maniar as Additional Director (as Non-Executive & Independent). As per the provisions of Section 260 of the Companies Act, 1956, Mr. Maniar holds office up to the date of the forthcoming AGM of the Company. Your Company has received notice under Section 257 of the Act, along with requisite deposit in respect of Mr. Maniar, proposing his appointment as Director of 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.

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. "Group" for Inter-se Transfer of Shares

As required under Clause 3(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting "Group" (within the meaning as defined in the Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of availing exemption from the provisions of Regulations 10 to 12 of the aforesaid SEBI Regulations. The list of Group Companies/Associates/Joint Ventures is enclosed and forms part of this Annual Report.

v. 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 they extended to your Company.

For the continuing support and unstinting efforts of shareholders, Investors, business associates and employees in ensuring an all-round operational performance, your directors also wish to place on record their sincere thanks and appreciation.

Place: Mumbai
Date: 10^{th} August, 2011

Dewang Neralla
Whole-time 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 and Development

The Research & Development activity of your Company is mainly focused on 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 introduction of new software products for both Domestic and Export markets.

Amount spent: Revenue Expenses Rs 108,704,313/-

Foreign Earnings and Outgo

The details of foreign exchange earnings and outgo are mentioned in Note 9(a) & 9(b) of Schedule 15-II on significant accounting policies and notes to the accounts.

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 2005".

Description	ESOP - 2005
a. Options granted	440,000
b. Exercise price per option (The exercise price of the option is the market price of the shares as defined under the SEBI Guidelines, as on the grant date)	Rs 981.60 per share
c. Options vested	440,000
d. Options exercised	406,790
e. Options lapsed/forfeited	33,210
f. Variations of terms of options	Exercise period had been extended upto 30th October, 2010
g. Money realized by exercise	Rs 399,305,064
h. Options in force	Nil
i. Employee wise details of options granted during the year	
i) Senior Management Personnel	None
ii) Employees who receive a grant in any one year of option amounting to 5% or more of options granted during that year	Nil
iii) Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	Nil
j. Diluted EPS	19.95
k. Fair value of the options	483.88/794.25
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 Rs 24,444,100 and earnings per share as indicated as below: **Adjusted EPS** **Rs** - Basic 19.42 - Diluted 19.42
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	64.48% to 86.41%
ii) Option life	3 years - 5 years
iii) Dividend yield	0.41%
iv) Risk-free interest rate	5.98% to 6.41%
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.	

List of persons constituting "Group" as required under Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

I) Promoters

1) La-Fin Financial Services Pvt. Limited (Promoter)
2) Jignesh Shah (Promoter)
3) Dewang Neralla (Promoter)

II) Entities Where Control Exists (Subsidiaries, Including Step down Subsidiaries)

1) Tickerplant Limited (TickerPlant)
2) IBS Forex Limited (IBS)
3) atom Technologies Limited (atom)
4) Riskraft Consulting Limited (Riskraft)
5) National Spot Exchange Limited (NSEL)
6) National Bulk Handling Corporation Limited (NBHC)
7) Financial Technologies Middle East-DMCC (FTME)
8) Global Board of Trade Ltd. (GBOT)
9) Singapore Mercantile Exchange Pte. Ltd. (SMX) (Subsidiary of FTSPL)
10) Knowledge Assets Pvt. Limited (KAPL)
11) FT Group Investments Pvt. Ltd. (FTGIPL)
12) Financial Technologies Communications Limited (FTCL)
13) Global Payment Networks Limited (GPNL)
14) FT Knowledge Management Company Limited (FTKMCL)
15) Indian Bullion Market Association Limited (subsidiary of NSEL)
16) Trans-Global Credit & Finance Limited (TGCFL)
17) Singapore Mercantile Exchange Clearing Corporation Pte Ltd. (Subsidiary of SMX) (SMX-CCL)
18) Capricorn Fin-Tech (Pvt). Ltd. (Subsidiary of FTME)
19) Bourse Africa Limited (Subsidiary of FTGIPL)
20) Boursa India Limited
21) ICX Platform (Pty) Limited
22) Credit Market Services Limited (CMSL)
23) Takshashila Academia of Economic Research Limited (TAER)
24) Apian Finance and Investments Limited
25) Bahrain Financial Exchange BSC (c) (BFX) (Subsidiary of FTGIPL)
26) Financial Technologies Singapore Pte. Ltd.
27) FT Projects Limited (w.e.f. 18th May, 2010)
28) Financial Technologies Projects Private Limited (w.e.f. 23rd April, 2010)
29) BFX Clearing & Depository Corporation BSC (c) (Subsidiary of BFX)

III) Associate Companies

1) Multi Commodity Exchange of India Limited (MCX)
2) MCX-SX Clearing Corporation Limited (MCX-SX CCL)
3) Indian Energy Exchange Limited (IEX)

IV) Joint Venture Companies

1) Dubai Gold and Commodities Exchange (DGCX)

Place: Mumbai
Date: 10th August, 2011

Dewang Neralla
Whole-time Director

Management Discussion & Analysis

Macro Trends

Global Markets Review

The global economy continues to suffer hiccups, with not many encouraging signs of recovery in most major economies. The United States is still struggling with its mounting budget deficit. Europe has yet to raise its head over the muddy waters of the contagion sovereign debt crisis flooding the Southern Europe from Greece to Portugal. Japan is reeling under the after-effects of the recent earthquake and tsunami. On the flip side, emerging economies – even as apparently taking a lead in driving global economic recovery – are actually in a melee, following raging inflation, rising interest rates, and rampant corruption, slowing the growth prospects.

Nevertheless, there is no denying that with increasing incomes and burgeoning populations, the markets of emerging economies are growing rapidly. As the International Monetary Fund (IMF) observed recently, "The fastest growth in recent years has come from the emerging markets, which helped offset the deep downturns in the United States and other rich nations." Unsurprisingly, emerging nations have become major financial, commercial and technological players on the world stage.

As it is, the 21st century seems to emerge as a truly Asian century. The IMF report too states that as many as 10 of the world's 15 fastest-growing economies are in Asia, and that the Asian economy will eclipse that of the United States by 2030. With the global economy's centre of gravity witnessing a paradigm shift from the West to the East, Singapore finds itself uniquely positioned. It is plugged into the economies and markets of China, India and South-East Asia, besides those of the West as well. Singapore is strategically poised to capitalize on the global interests in Asia. It is a world-class international financial centre and a regional hub for activities ranging from aviation to logistics and commodity trading to education. As an economy, a society and a financial centre, the island nation is well on its way to affirm its status as a truly globalized city in the heart of Asia.

Besides Asia, the regions of Africa and Middle East, too, are poised to be the fastest-growing in the next decade. The Obama administration is also taking a new approach to Africa that focuses on growth and development. Africa is witnessing a period of high growth and investor interest, thanks to the immense potential of natural resources existing there. At the opening session of the 21st World Economic Forum on Africa, South African President Jacob G. Zuma shared in his speech that Africa has entered a new chapter in its history this year, with its countries changing the way they relate to the rest of the world and to each other, propelled by high growth and an expanding middle class.

Indian Financial Markets – An Overview

The Indian financial market largely remained orderly despite global uncertainties and challenges posed by persistent inflation during the Fiscal Year 2010-11. India's Gross Domestic Product (GDP) grew 8.5% through the year. Indian markets also exhibited a strong growth momentum during the year under review, driven by robust demand, consumption and higher savings rate. With net overseas investment of over Rs 1.46 lakh crore during 2010-11, foreign capital flows into India were higher than Rs 1.42 lakh crore during the previous year of 2009-10.

Asset prices remained largely range-bound through the year, though interest rates firmed up in response to the successive hikes in the policy rates by the Reserve Bank of India (RBI), resulting in a rise in lending rates by commercial banks as well. Global commodity prices, particularly those of crude oil, continued to be the primary concern in the path of higher economic growth trajectory. Meanwhile, the domestic inflation is posing yet another challenge to the policy-makers struggling to maintain a continual growth.

Notwithstanding the high domestic savings rate at around 35% of GDP, it is a matter of worry for the country that only a small proportion of the population invests in capital markets. While considerable efforts are called for to channelize increased private savings towards financial markets, urgent need exists to focus on broadening and deepening of Indian financial markets, too.

Business Overview

Your Group has three business verticals comprising a network of nine tech-centric Exchange Ventures, and five Ecosystem Ventures to complement the exchange business, as also multiple technology offerings, which together connect the financial markets in the fast-growing economies of Africa, Middle East, India and South-East Asia. This is precisely the vision of Mr. Jignesh Shah, Chairman & Group CEO – that of creating a financial ecosystem on the backbone of technology, aimed at broadening and deepening the markets, thereby driving financial inclusion.

Technology Vertical

Your Group successfully offers technology IP to create and trade on next-generation financial markets across diverse asset classes, including commodities, stocks and currencies, among others, aimed at taking financial markets to the doors of *aam admi* (common man) at an affordable cost. Today, the Group is widely considered as a pioneer in the development of India's commodity futures markets. It is accredited with introducing a unique change agenda that sets new industry standards for futures trading in different sub-continents of the globe.

Your Group continues to believe that efficient, transparent and liquid financial markets are by far the most powerful equalizers, change agents and disruptive platforms to democratize opportunities for prosperity by driving inclusive and equitable growth in India and elsewhere. The year saw the Group successfully leveraging its technology and domain leadership to create next-generation financial exchanges.

Exchange Solutions

Financial Technologies India has successfully deployed a new domestic and international version of its exchange technology suite with advanced functionalities in its flagship products DOME (Distributed Order Matching Engine), CnS (Clearing and Settlement) and Risk Management at MCX, MCX-SX, NSEL, SMX and GBOT. To ensure seamless operations in exchanges, your Company added four new products – TRADEDART™, FOVEA™, DMATS™ and MarketXstream™ – for customized product trading, surveillance, depository services and market data dissemination, respectively. These efforts were aimed towards simplifying trading and settlement for multi-asset and multi-currency products and enabling exchanges to operate seamlessly in cross-border markets.

TRADEDART™ is a web-based trading platform empowering various industries or sectors to create multiple types of auctions, continuous trading, OTC and innovative marketplaces. DMATS™ provides technology and security for keeping different types of assets in electronic form and Facilitates settlement for multiple exchanges through a single clearing corporation. FOVEA™ is an agile system that enables surveillance of trading activities for exchanges / regulators and business monitoring of market makers. MarketXstream™ is a low latency, real time, high throughput application with complete market depth dissemination to meet the growing demands of exchanges worldwide.

Brokerage Solutions

Your Company's flagship product in broking solutions, ODIN continues to be ranked as the No. 1 front-end electronic trading platform with over 80% market share in India, having bagged more than 640,000 licenses. This multi-asset, multi-currency and multi-segment CTCL (Computer to Computer Link) Solution supports a wide range of products and instruments in equities, commodities, currency, mutual funds, IPOs and fixed income.

Your Company believes that the ODIN™ 64-bit version has delivered an increase in performance, scalability and compatibility of our flagship product. It released new features in ODIN (Greek Neutralizer, an advanced component for option traders to neutralize the Delta, Gamma and Vega) for the traded portfolio. It has also introduced Advanced Charting, a new charting module in ODIN™ that enables tapping profit-making opportunities effectively. ODIN™ ATS, ODIN™ X Plaza, FTNET and DMA LIVE! will also contribute to your Company's future growth. The other product offerings include CnS, STP-Gate™, FX-Direct™, iNet.net, iWin, MATCH™, e-Hastakshar™ and Protector.

Messaging Solutions

Your Company is one of the leading providers of end-to-end STP technology solutions for exchanges and related constituents. Its intelligent messaging solutions provide a seamless STP framework and bring brokers, fund managers and custodians together through a secure online connectivity on a common messaging platform.

Network and Consulting Solutions

The Enterprise Solutions Group, an IT and Process Consulting initiative by your Company, offers its services across four broad verticals of IT consultancy, Process Consultancy, Quality Assurance and Facility Management Services. Strong domain proficiency, coupled with an exhaustive domain expertise, has granted ESG a competitive edge to offer a spectrum of consultancy services.

Exchange Vertical

Your Company's commendable and eventful journey into the second decade of the new millennium was marked by taking its exchange network overseas and with a well spread international presence. The highlight of the year under review was the launch of three new international exchanges – Singapore Mercantile Exchange (SMX) in Singapore, Global Board of Trade (GBOT) in Mauritius and Bahrain Financial Exchange (BFX) in Bahrain – aimed at facilitating trading in various asset classes. This makes your Company a truly global financial institution that successfully made live three Greenfield Financial Exchanges in the same year.

By way of its exchange vertical, it has established itself as the creator and operator of modern and tech-centric exchanges across the fast-growing economies of Asia, Middle East and Africa. While MCX continues its leadership position in India's commodity futures market with an 82% market share, Indian Energy Exchange (IEX) and National Spot Exchange of India (NSEL) command as much as 87% and 99% market share, respectively.

Ecosystem Vertical

Your Company's ecosystem vertical complements and augments the exchange operations by capturing value from upstream and downstream opportunities around these financial exchanges. Its financial exchange ventures, coupled with its ecosystem businesses and technology offerings, have been working towards transforming the lives of people in fast-growing economies by democratizing global trade and propagating the benefits of price discovery, trade efficiency, risk management and structured finance to the physical trade functionaries, to the benefit of both producers and consumers.

Through its ecosystem vertical, your Company addresses opportunities in warehousing, collateral management, information vending, and payment gateways, among others. Its leadership position in this vertical continues with National Bulk Handling Corporation (NBHC) and TickerPlant, which continues to command a predominant position in their respective business spheres.

Your Company intends to use its ecosystem applications to enhance its exchange businesses. Hence, these applications have been marketed, licensed and/or sold to your Company's exchanges, besides its various participants and also customers of its technology business. For instance, through your Company, NBHC is linked to MCX, thereby enabling it to expand its customer base of exchange participants, farmers and banks.

Your Company strongly believes that its ecosystem ventures, such as atom Technologies and NBHC, have helped build the necessary infrastructure to distribute its technology innovation to India's remote villages, thereby developing a proper market base in rural areas. Your Company believes that it is through these applications that it can widen its customer base across various economic classes and regions in India. On pages 55-65, we review the operations of our exchanges, such as MCX, NSEL, IEX, SMX, GBOT, BFX and Bourse Africa, and our ecosystem ventures, namely NBHC, atom Technologies and TickerPlant.

Competitive Strengths

Technology and Domain Expertise

Your Group's thorough understanding of technology and systems, domain knowledge of exchange business and its relationships with various market participants together provides a strong platform for growth. It is a pioneer in leveraging its technology expertise to create tech-centric exchanges in high-growth economies of Asia (including India), Africa and Middle East. Its next-generation technology and domain expertise, coupled with its robust distribution network of trading terminals and ecosystem partners including banks, clearing partners and industry associations, give it an unmatched competitive advantage.

Leadership Position

Your Group operates one of the world's largest networks of nine exchanges connecting the fast-growing economies from Africa to Asia. Its ecosystem ventures – one of the most efficient networks – address upstream and downstream opportunities around these financial exchanges. Your Company's position as a technology solutions provider setting next-generation tech-centric exchanges continues to be unparalleled and unchallenged.

Global Reach & Distribution Network

Your Company is a global leader in offering technology IP across diverse asset classes such as commodities, currencies, equities and bonds. It is a pioneer in introducing end-to-end Straight Through Processing (STP) solutions supporting high-density transactions, ably backed by its ecosystem vertical. Your Company's vast distribution network connects brokerages, banks, depositories, clearing corporations, financial institutions, warehouses, mandis, retail outlets as well as rural outposts.

Opportunities

Enabling Financial Inclusion

Technology has enabled integration as well as widening and deepening of financial markets by broadening the participatory base through increased accessibility. This provides an immense opportunity for Indian financial markets to develop further. This also helps achieve the government's laudable objective of financial inclusion for equitable growth of the economy.

Enhancing the business of Technology Solutions

The growth of your Company's exchange business creates a direct impact on its product business, as its tech-centric financial exchanges are powered by your Company's exchange technology solutions, even as it also provides broking solutions to the broking community. In view of this, the technology business of your Company is seen getting augmented significantly as new exchange ventures are set up. Given the rapid strides in the economies of Africa, Middle East and South Asia, your Company's future growth potential looks encouraging.

International Talent Engagement

Your Company's diverse employee base comprises people from Asia, Africa, Middle East, United States and Europe, with technical and functional abilities, combined with an enduring expertise in capital markets. Through our international initiatives, we are able to offer our employees careers in India and abroad in the area of their expertise.

Risk and Risk Management

Your company has constituted a Risk Management Policy to ensure key operational risks are effectively mitigated. For further details on this, see page 42 on Directors' Report.

Risks and Concerns

Macro Economic Trend

The Indian economy continues to be driven mainly by domestic consumption and investment, which are affected adversely by continued inflation. Volatility in commodity and energy prices also continues to impinge on the Indian economy. Since the financial and business performance of your Company depends upon the health of the Indian economy and global trends to a great extent, your Company keeps track of the emerging global scenario as well as internal factors to realign its business strategy accordingly.

Competitive Environment

Competition from existing and new players can influence trading volumes of our financial exchanges and also the ability to retain existing customers or attract new customers to our technology products, in turn, affecting the overall profitability. Yet, through constant improvisation in its technology products and also differentiating itself from others in terms of quality customer service, your Company is able to maintain a leadership position and face competition effectively.

Trading Technologies

Technology has been the key to rapid growth in the financial services industry. Increasing competition among market participants and financial exchanges has made technology a significant tool. To meet the rising demands, efforts need to be taken to upgrade our performance, requiring significant investment in next-generation trading technology in order to continuously upgrade and enhance our functionalities.

Longer Gestation and Incubation Period

Financial exchanges are akin to infrastructure projects and pursuance of excellence is a continuous journey. Considering the implementation of such projects with huge dimension, the gestation period is usually long, particularly for setting up financial exchanges in India. During the year under review, your Group launched three financial exchanges in different economies. Some of these are currently in the incubation phase and require continued investments to witness returns at a later stage.

Foreign Currency Exchange Rate Risk

Your Company was subjected to foreign currency fluctuations mainly on account of export of software and unsecured foreign currency convertible bonds. However, your Company has an advantage of natural hedge, due to which the currency risk gets largely mitigated.

Outlook

Globalization has led to integration of economies and there is an increasing need for financial markets to be connected in a flat world through exchanges as they offer fast, secure, transparent and regulated platform for transactions. Your Group's vision is to contribute towards moving from over-the-counter markets to regulated markets and exchange-traded contracts to provide fungibility, higher liquidity and no counter-party risks.

Your Company believes digitisation of financial markets is an exciting opportunity for the Group to expand its presence in diversified segments. This serves as an opportunity for your Company to leverage its technology and domain knowledge. Through improved technology and product innovation, your Company aims to create, integrate, drive and make commodities and financial markets accessible to everyone and also provide the best of transaction and risk management technology to match the breadth and depth of market growth to provide highest integrity and scalability.

Your Group is also contributing to a new world economic order by creating exchanges in the emerging markets of Africa, Middle East and Asia Pacific region to connect some of the fastest growing economies and validate a transition in the role of emerging economies from being a price taker to becoming a price influencer. It also aims to move from standalone exchanges to an exchange network and non-electronic to electronic global trade transactions.

Financial Position and Result of Operations

Shareholder's Equity

Your Company's authorised share capital is Rs 300 million, divided into 150 million equity shares of Rs 2 each. The paid up share capital of your company stood at Rs 92.16 million. 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 Rs 20,512.49 million as on March 31, 2011 from Rs 20,324.47 million as on March 31, 2010, mainly on account of operating profit and other income.

Securities premium account as at March 31, 2011 stood at Rs 4,582.46 million as compared to Rs 4,885.03 million in the previous year, adjusted on account of the provision of Rs 302.57 million (net of taxes) for premium payable on redemption of ZCCB, in accordance with Section 78 of the Companies Act, 1956.

The Company has transferred Rs 124 million to General Reserve out of the amount available for appropriations and an amount of Rs 14,125.49 million is proposed to be retained in Profit and Loss Account.

Shareholders' Funds

Total shareholder funds stood at Rs 20,604.64 million as on March 31, 2011 as against Rs 20,416.63 million as on March 31, 2010.

Loan Funds

At the end of the year, the outstanding amount of zero coupon convertible bonds (ZCCB) was Rs 4,040.83 million (US$ 90.5 million) as compared to Rs 4,085.17 million (US$ 90.5 million) in the previous year. Decrease in amount was on account of fluctuation in the USD:INR exchange rate during the year.

Deferred Tax Liability

During the year, your Company has reported accrual of total net deferred tax liability of Rs 120.15 million compared to Rs 87.98 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.

Investments

The total investments as at March 31, 2011 was at Rs 18,607.08 million as compared to Rs 20,019.48 miilion as at March 31, 2010. The total investment mainly comprised of investment in mutual funds, subsidiaries, joint venture and associate companies. 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 their operations in about 2 to 4 years time frame. The Company, as a part of its non-linear business model, will continue to unlock value by broadening the investor base of its ventures.

Fixed Assets

In Rs million

As on March 31	2011	2010
Freehold Land	466.66	466.66
Leasehold Land	68.68	69.44
Building	2,504.70	18.08
Improvement to Leasehold Premises	43.13	41.51
Office Equipment (including Computer Hardware)	444.88	209.64
Furniture & Fixtures	348.28	25.81
Vehicles	29.62	24.26

In Rs million

As on March 31	2011	2010
Intangible assets including Software, Technical know-how etc.	178.51	186.26
Gross Block	**4,084.46**	**1,041.67**
Less: Accumulated Depreciation/ Amortization	215.75	167.78
Net Block	**3,868.71**	**873.89**
Capital Work-in-Progress	376.65	1,865.27
Total Fixed Assets	**4,245.35**	**2,739.16**

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

During the year, the net additions to fixed assets (including amount in capital work in progress) were at Rs 1,554.18 million.

Current Assets, Loans and Advances

During the year, your Company's total current assets, loans and advances were at Rs 4,758.42 million, as compared to Rs 4,345.37 million in the previous year.

During the year,

a) Sundry Debtors reduced to Rs 326.06 million (net of provisions) compared to Rs 604.26 million in the previous year.

b) Cash and bank balance stood at Rs 1,475.71 million compared to Rs 2,090.92 million in the previous year, mainly on account of amount used in fixed assets and investments.

c) Other current assets increased to Rs 69.80 million from Rs 39.30 million mainly due to interest accrued on bank fixed deposits and investments.

d) Loans and advances (net of provision) amounted to Rs 2,886.85 million as against Rs 1,610.88 million in the previous year. Increase is mainly due to loans and advances to subsidiary companies and advance payment of income taxes.

Current Liabilities and Provisions

During the year, your Company's current liabilities stood at Rs 864.45 million compared to Rs 949.03 million in the previous year.

During the year, provisions stood at Rs 1,980.78 million compared to Rs 1,513.11 million in the previous year. The increase is mainly contributed by the premium on redemption of ZCCBs.

Revenue Analysis

During the year, revenue from operations stood at Rs 3,308.89 million (net of excise duty) compared to Rs 3,069.87 million in the previous year, an increase of 7.8%. 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 (excluding profit on sale of shares) stood at Rs 1,069.16 compared to Rs 1,043.63 million in the previous year. Other income includes dividend from investments, interest on deposits and investments, profit on sale of investments, shared business support services, foreign exchange gains and miscellaneous income.

Expense Review

During the year, the operating and other expenses (excluding Provision for other than temporary diminution in value of long term investments) were at Rs 1,913.91 million as compared to Rs 1,904.60 million in the previous year. During the year, your Company made provision of Rs 321.00 million for other than temporary diminution in value of long term investments.

Profit

(Excluding Capital Gains on sale of shares, diminution in long term investments & exceptional items)

During the year,

- Profit before interest, depreciation and tax increased by 12.3% to Rs 2,428.52 million from Rs 2,162.53 million in the previous year.
- Profit before tax increased by 9.8% to Rs 2,310.60 million from Rs 2,103.45 million in the previous year.
- Profit after tax increased by 9.7% to Rs 2,062.90 million from Rs 1,880.36 million in the previous year.

(Including Capital Gains on sale of shares, diminution in long term investments)

During the year,

- Profit before interest, depreciation, exceptional items and tax was Rs 2,726.98 million, compared to Rs 4,530.81 million in the previous year.
- Profit before tax and exceptional items was Rs 2,609.05 million, compared to Rs 4,471.73 million in the previous year.
- Profit after tax was Rs 919.35 million, compared to Rs 3,443.66 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.

METAL & ENERGY
Trade with Trust

Multi Commodity Exchange of India Ltd.

Business Overview

- 6th largest commodity futures exchange globally*
  - 1st in silver
  - 2nd in gold, copper and natural gas
  - 3rd in crude oil
- Leading Commodity exchange in India with 82% market Share in FY 11
- Average daily turnover during FY 11: Rs 32,057.01 crore, 53% increase Y-o-Y
- Highest daily turnover during FY 11: Rs 71,876.33 crore
- 2,119 members and 194,400 terminals (CTCL and IBT terminals**)
- India's first exchange to report its Sustainability Performance
- Filed Draft Red Herring Prospectus with SEBI in March 2011

*In terms of number of commodity futures contracts traded in CY 2010; Source: Data from websites of exchanges and FIA Annual Volume Survey, March 2011

**CTCL-Computer to Computer Link, IBT-Internet Based Terminal (single-sided)

Products & Services

MCX offers trading in over 40 futures contracts from various market segments such as bullion, energy, ferrous and non-ferrous metals, oils and oil seeds, cereals, pulses, plantations, spices and fibers.

Domestic Alliances

- Bombay Metal Exchange
- Ore Team
- Solvent Extractors' Association of India
- Weather Risk Management Services
- Ekgaon Technologies

International Alliances

- The Baltic Exchange
- CME Group
- Euronext-LIFFE
- Shanghai Futures Exchange
- London Metal Exchange
- Taiwan Futures Exchange

Awards & Recognition

- **2011**: Fifth Indy's award under the category 'Best in Corporate Social Responsibility Practices'
- **2011**: 'Financial Inclusion Award 2011' from SKOCH Foundation
- **2010**: Selected as one of the 'Business Superbrands' for Year 2011
- **2010**: 'Best Commodity Exchange of the Year' award from the Bombay Bullion Association
- **2010**: The FICCI Socio Economic Development Foundation (SEDF) Corporate Social Responsibility Award 2009-10
- **2010**: NASSCOM Foundation 'Social Innovation Honors 2010'

Certification

MCX obtained renewal of its ISO 9001:2008 certification from Bureau Veritas Certification (India) on October 20, 2010

Key Milestones During FY 2010-11

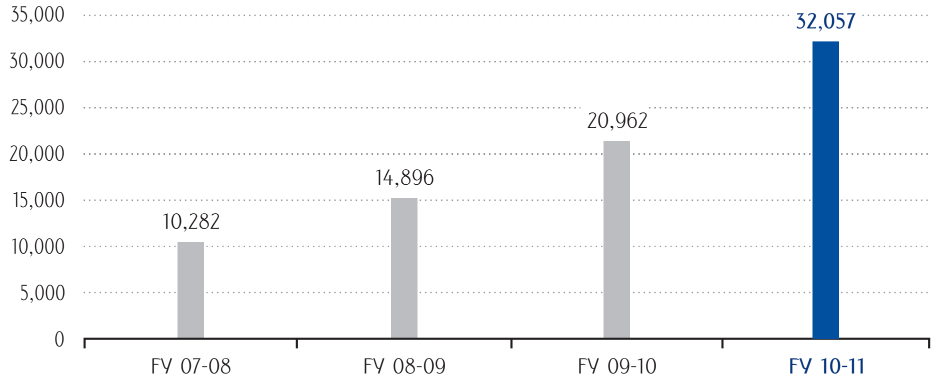
- New Contracts launched during the year:
  - Zinc Mini, Lead Mini, Iron Ore, Silver Micro, Aluminum Mini
- Signed MoU with Shanghai Futures Exchange
- MCX and PwC released Commodity Insights Yearbook 2010
- Signed MoU with TAIFEX for developing commodity derivatives markets

Operational Matrix

	FY 08	FY 09	FY 10	FY 11
Number of Members (end of year)	1,869	2,037	2,070	2,119
Number of TWS* and TWS under CTCL	43,070	82,703	117,124	194,400

*Trader Work Station

Average Daily Turnover (Rs cr)



INDIAN ENERGY EXCHANGE
India's No.1 Power Exchange

www.iexindia.com

Indian Energy Exchange Ltd.

Business Overview

- India's 1st & No. 1 Power Exchange with 87% Market Share*
- Established with the objective of developing a marketplace for power trading in India
- A transparent and efficient platform for trading in power, thus bringing down the demand-supply gap between buyers and sellers of power
- 78 Members & over 758 clients registered as on March 31, 2011 (over 95 private power generators and over 647 direct consumers)

*For Day-Ahead Market volume of FY 2010-11

Products & Services

Spot Market

- Intraday - for the same day (last 6 Hours of a day)
- Day-Ahead Market - Hourly for next day
- Day-Ahead Contingency Market - Hourly for next day

Forward Market

- Daily - for rolling seven days (Delivery starting after 4 days of trading)
- Weekly

Renewable Energy Certificate Market

- Solar REC
- Non-Solar REC

Key Milestones During FY 2010-11

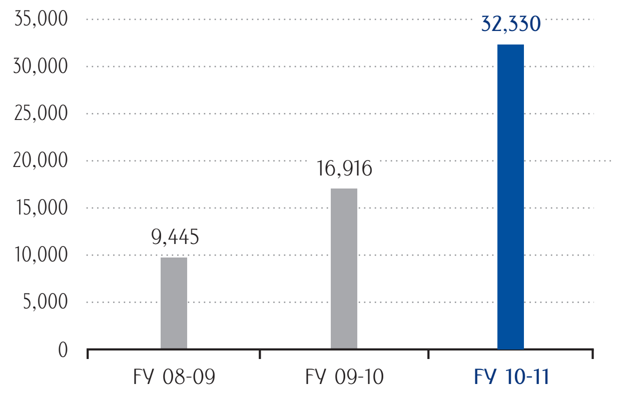
- Launched Renewable Energy Certificate Trading on February 23, 2011
- Launched a new version of DAM (Day Ahead Market) Trader Work Station (TWS) in September 2010

Operational Matrix

	FY 09*	FY 10	FY 11
Highest Turnover Reported (Day Ahead Market)	21,449 MWh	31,429 MWh	59,976 MWh
Number of Members at the end of year	53	78	78
Number of Products offered	1	5	7

*Data from 27 June, 2008 to 31 March, 2009

Average Daily Turnover (MWh) - Annual**



**For Day Ahead Market
Source: Exchange Websites

National Spot Exchange
Electronic Spot Market

www.nationalspotexchange.com

National Spot Exchange Ltd.

Business Overview

- India's No. 1 Commodity Spot Exchange commanding 99% market share in the electronic spot market segment
- Over 516 registered members as on March 31, 2011
- Launched a unique product in the form of e-series in Indian market through which commodities can be bought, sold and held in demat form

Products & Services

- Operational in 36 commodities including castor seed, gold, silver, cottonseed wash oil, castor oil, wheat, RM seed and soybean
- e-Series: e-Gold, e-Silver, e-Copper, e-Zinc and e-Lead

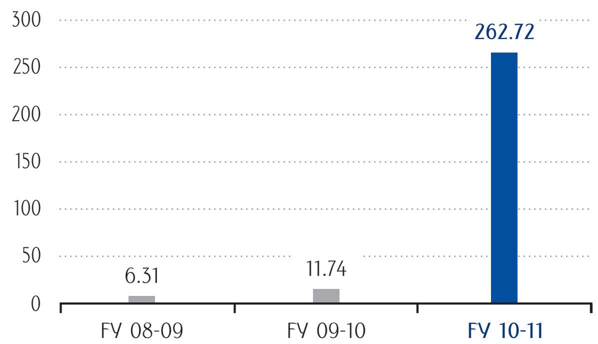
Key Milestones During FY 2010-11

- Won FOW Award for Innovation 2010 under the category "Best Exchange in Product Innovation" in South East Asia and Australasia. NSEL is the first Indian exchange across all asset classes to bag this award
- Prominent government institutions (FCI, State Trading Corporation of India (STC), PEC, MMTC, AP Markfed and HAFED) commenced participation on this platform
- Received Shariah-Certification for 'e-series' products in gold, silver and copper from TASIS (Taqwaa Advisory and Shariah Investment Solutions (P) Ltd.), a premier Shariah advisory institution in India in the field of finance
- Provided pan-India market linkage to small farmers, thus enhancing their price realization and also enhancing holding capacity by providing institutional credit
- Introduced procurement services to provide customized solutions to bulk buyers thus improving commodities supply chain and marketing efficiency

Operational Matrix

	FY 09	FY 10	FY 11
Highest Turnover Reported (Rs cr)	104.69	452.75	1,843.10
Number of Members (End of year)	253	320	516
Number of Products/ Commodities offered	11	24	36

Average Daily Turnover (Rs cr)



SMX™ Singapore Mercantile Exchange
Where the world trades

www.smx.com.sg

Singapore Mercantile Exchange Pte Ltd.

Business Overview

- Trans-Asian multi-product commodity and currency derivatives exchange
- Licensed to operate as an Approved Exchange by the Monetary Authority of Singapore (MAS), commenced trading on August 31, 2010
- Offers unique trading and investment opportunities, new avenues for effective risk management, trading across multiple time zones and bridging of markets
- Counterparty clearing and settlement risk is effectively managed through its clearing corporation, the Singapore Mercantile Exchange Clearing Corporation (SMXCC)
- A member of leading international derivatives industry associations, such as the Futures Industry Association (FIA), the Swiss Futures and Options Association (SFOA), the Association of Futures Markets (AFM) and the Futures and Options Association (FOA)

Products & Services

SMX provides a platform for trading, clearing, settlement and delivery of diversified basket of commodities and currencies including futures and options contracts on precious metals, base metals, agriculture commodities, energy and indices

Precious Metals

- Gold Futures (SMGOLD)
- Gold Cash Futures (SMGOLDCH)
- Silver Cash Futures (SMSILVERCH)

Base Metals

- Copper Cash Futures (SMCOPPERCH)

Energy

- West Texas Intermediate Futures (SMWTI)
- Brent-Euro Futures (SMBRE)

Currency Pairs

- EUR/USD Currency Futures (SMEURUSD)
- USD/JPY Futures (SMUSDJPY)
- AUD/USD Futures (SMAUDUSD)

Key Milestones During FY 2010-11

- Advisory Board expanded to include the former Chief Executive of the Financial Services Commission (FSC) of Mauritius, the present Mauritius Ambassador to the United Nations in New York – H. E. Dr. Milan J. N. Meetarbhan – former Chairman of the Securities and Exchange Board of India (SEBI) and the Life Insurance Corporation of India (LIC) Shri. G. N. Bajpai
- Clearing Members on the exchange*: Newedge, Ong First Tradition, Morgan Stanley, UOB Bullion and Futures, ICICI Bank, Citigroup and Phillip Futures
- Trading volumes hit a historic high of 10,154 contracts on July 29, 2011 with turnover crossing US$ 377.49 million and membership doubling to over 50 since inception
- Trade Members on the exchange*: Total Global Steel, Glencore, Vitol, TransMarket
- Online Trading Academy signed up as preferred education partner of SMX
- Signed MoU with Taiwan Futures Exchange (TAIFEX) to explore business opportunities
- Signed licensing agreement with TOCOM to list several SMX contracts on TOCOM products such as crude oil, gasoline, kerosene and gas oil
- Partnered with Metal Bulletin for iron ore futures contract
- Signed exclusive MoU with Vietnam's largest black pepper exporter
- Partnered with ORC & RTS to provide market access to SMX
- TOCOM and SMX deployed KVH-SingTel ultra low latency network solutions

*Partial List

GBOT
Global Board of Trade

www.gbot.mu

Global Board of Trade Ltd.

Business Overview

- Launched on October 15, 2010, by **Dr The Honourable Navinchandra Ramgoolam, GCSK, FRCP, Prime Minister of the Republic of Mauritius**
- First exchange in the world to earn the distinction of offering two African currencies USD/MUR and ZAR/USD
- Set to launch many more Africa-centric products aimed specifically at tapping the potential of this vast continent
- Successfully achieved T+1 settlement in international currencies while having participants across multiple continents and dealing with leading clearing banks

Products & Services

- Products currently being traded on the exchange are:

  Commodity Futures: Gold and Silver

  Currency Futures: EUR/USD, GBP/USD and JPY/USD as well as African currency pairs viz. USD/MUR and ZAR/USD

  Proposed Products*: Base Metals, Energy Products, Agri-softs and other African and International Currency Pairs

  (*GBOT is equipped and well-set to facilitate trading in these products on its exchange platform and will do so after obtaining the requisite regulatory approvals for the same)

Key Milestones During FY 2010-11

- Crossed the US$ 50 million mark in daily trading volumes on April 18, 2011, a commendable achievement for a young exchange operating in a Greenfield region
- GBOT collaborated with Thomson Reuters to enable market participants to access real-time information on contracts traded
- Organized a financial and economic leadership summit titled "African Echoes" on October 16, 2010 which saw participation from thought leaders across Africa to discuss way forward for financial markets in the region

Institutional Alliances/Membership

Local

- Mauritius Chamber of Commerce and Industry (MCCI)
- Society of Financial Analysts of Mauritius (SFAM)

Global

- Association of Futures Markets (AFM)
- Defra EU Emissions Trading Scheme (EU ETS)
- Futures and Options Association (FOA)
- Swiss Futures and Options Association (SFOA)
- South Asian Federation of Exchanges (SAFE)

www.bfx.bh

Bahrain Financial Exchange BSC (c)

Business Overview

- A pioneering cross-border and multi-asset exchange in the Middle-East and North Africa (MENA), internationally accessible to trade cash instruments, derivatives, structured products and Shariah-compliant financial instruments
- Provides clearing, settlement, depository and risk management activities through its clearing corporation, the BFX Clearing and Depository Corporation (BCDC)
- Provides a unique opportunity for MENA region's financial services sector to link with the established markets and take a step forward on the global financial services stage
- Access to its electronic trading platform will allow market participants to utilize the Exchange to manage risk and enable investment in a secure environment with central counterparty clearing, settlement and depository
- BFX launched its Islamic Finance division with the establishment of Bait Al Bursa in February 2011, marking the creation of the region's first exchange-operated platform dedicated to Islamic finance products
- Set up the BFX Training Institute (BFX-TI), an internationally accredited training institute of global standards providing programmes in conventional and Islamic financial training

Products & Services

- Offers financial instruments across a wide range of asset classes in conventional products specific to the region, along with Islamic finance products
- Proposes to offer two separate platforms: Conventional (commodities, indices, currency, cash and structured instruments) and Shariah compliant products

Associations of BFX

- Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)
- Association of Futures Markets (AFM)
- Futures & Options Association (FOA)
- General Council for Islamic Banks and Financial Institutions (CIBAFI)
- International Islamic Financial Market (IIFM)

Key Milestones During FY 2010-11

- Launched e-Tayseer Islamic platform for Murabaha transactions
- The BFX-Training Institute (BFX-TI) received international accreditation from the Chartered Institute for Securities & Investments (CISI), the professional body for practitioners in the financial, securities and investment industry; and also from Institute of Internal Auditors (IIA), Institute of Credit Management (ICM) and Association of Financial Professionals (AFP)
- Launched the Exchange Business Handbook, which provides a handy and valuable resource into the financial exchange industry

www.bourseafrica.com

Bourse Africa Ltd.

Business Overview

- Spot and derivatives demutualized exchange aimed to offer trading in multi-assets to worldwide markets from Africa
- The exchange's vision is to enhance price discovery, market transparency, financing, risk management, infrastructure development, job creation and cross-border economic integration in the African markets
- Based on a 'Hub and Spoke Model', Bourse Africa will form a network of national exchanges linked with Botswana, the technology and regulatory hub
- The above model is designed to enhance liquidity across Africa's fragmented markets and enable the exchange to develop synergies across the continent

Products & Services*

- Derivatives platform to provide trading facility in multi-assets, initially to focus on commodity and currency futures
- Provides opportunities for physical delivery and procurement as well as hedging, arbitrage and investments through derivatives trading on exchange platform
- Spot platform will focus on commodities produced and traded in different African countries
- Also plans to offer options and index trading

*Proposed subject to regulatory approval

Key Milestones During FY 2010-11

- Recognition of the Clearing and Settlement System by Bank of Botswana (Central Bank)
- Bourse Africa declared as Self Regulatory Organization by the Ministry of Finance and Development Planning, Botswana

African Opportunity

- One-stop shop access to an emerging geography, almost completely untapped at present:
  - 54 countries, 4%-5% economic growth per annum, an emerging middle class, US$ 320 billion annual commodity base, rapidly integrating with global markets
  - No organized commodity futures exchange and no central counter-party clearing house (CCP) outside South Africa, with a significantly under-developed exchange, brokerage and investment space
- Combined spot and derivative platforms
- Optimal hedging location and unique pricing dynamics based on Africa's pivotal role in the global commodity economy
- Sound legal jurisdiction and regulatory framework of Botswana
  - A CCP backed by Settlement Guarantee Fund to guarantee trades and fulfillment of all obligations arising therefrom
  - Integrated ecosystem elements (e.g. Warehouse Receipts System (WRS), Market Information System (MIS), broker technology solutions, capacity building academy)

National Bulk Handling Corporation Ltd.
Adding Value to Commodities

www.nbhcindia.com

National Bulk Handling Corporation Ltd.

Business Overview

- National-level ISO 22000:2005 certified Warehousing company and a leading integrated services enterprise for warehousing and bulk handling, collateral management, testing and certification, commodity care and pest management, procurement and allied services
- Pan-India presence across 900+ locations in 19 states and 35+ Quality Assurance Laboratories
- Expertise in 130+ commodities,
- Associated with 35 banks and financial institutions,
- Facilitated procurement of food grains under the Minimum Support Price (MSP) Program of the Government of India, functioning on behalf of Food Corporation of India (FCI)

Products & Services

- Storage and Bulk Handling Services
- Collateral Management Services (NBHC Cecure™)
- Commercial and Commodity Pest Management Services (NBHC CommGuard™)
- Quality Testing, Grading, Inspection and Certification Services (NBHC ProComm™)
- Trade Facilitation Services
- Warehouse Audit, Accreditation and Commodity Valuation Services (NBHC Mandate™)
- Procurement Services
- Information Services

Key Milestones During FY 2010-11

- Increased the network of Banks and Financial Institutions for Warehouse Receipt Financing to 35
- Surpassed Rs 26,000 crore in cumulative value of storage receipts issued under Collateral Management (CM) arrangements
- Initiated infrastructure development of owned storage facilities at strategic locations
- Initiated trade facilitation services
- Increased national footprint by including Bihar

Certification, Awards & Recognition

- Certified ISO 22000:2005 (in the year 2007)
- Accredited ISO 9001:2008 and a category – 'F' membership of the Grain and Feed Trade Association (GAFTA)
- NABL accreditation (ISO 17025:2005) for its ProComm (QA) Laboratory at Vashi (Navi Mumbai) in fiscal 2008
- Member of the National Association of Warehousing Corporations (NAWC), an association of government-owned and managed warehousing corporations

Operational Matrix

	FY 10	FY 11
Warehousing		
Storage Capacity (million MT)	1.67	2.2
Storage Space (million sq.ft)	10.97	14
Storage Facilities	504	578
Quality Assurance & Pest Management		
Functional QA Laboratories	31	36 (200+ mobile labs)
Number of Commodities Tested	130+	130+
Number of Certificates Issued	65,000+	75,000+
Collateral Management		
No. of Banks Associated with	33	35
Commodities Funded	130+	130+
CM Cumulative Funding facilitated over (Rs cr)	12,944+	18,400+

www.atomtech.in

atom Technologies Ltd.

Business Overview

- One of India's leading service providers offering secure and convenient payment solutions (IVR/Mobile Application/ Internet) to banks, merchants and customers across all platforms
- Created a mobile payments platform which allows merchants to accept payments over IVR and mobiles, customers to make payments through mobile phones and banks to process payments through credit and debit cards, as well as directly through their bank accounts
- Created an Internet-based payment processing platform for brokers and intermediaries in financial markets and merchants for accepting payments over Internet
- Processes in compliance with Reserve Bank of India (RBI) guidelines as well as that of Card Associations, viz. VISA, MasterCard and Amex
- Certified for both PCI-DSS as well as PA-DSS – the highest security certification for payments
- ISO 9001:2008 certified
- Tie-ups with 370+ merchants, 10+ banks and 3+ telecom companies in India

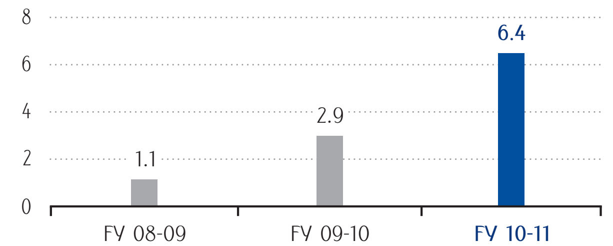
Products & Services

- M-Commerce: Mobile / Telephone based payment solutions involving either IVR or mobile applications
- E-Commerce: Internet-based payment service focused on broking space and other key merchants

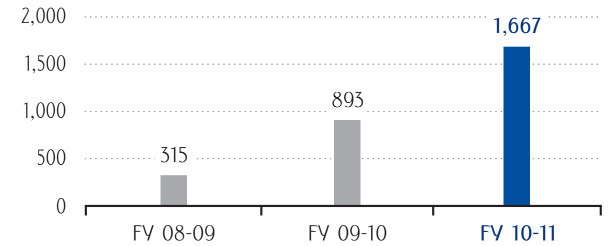
Key Milestones During FY 2010-11

- Tied up with 190+ merchants this year, including some leading merchants, such as Loop Mobile, Ezeego1.com, etc.
- Processed more than 6 million transactions worth Rs 1,600+ crore on its platform
- Successfully implemented Internet-based payment solution for 60+ brokers, including BMA Wealth Creators Ltd., Muthoot Securities Ltd., JM Financial Services, etc.
- Joined hands with Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) to facilitate bill payments through atom's mobile-based, SMS-based and IVR-based platforms
- Joined hands with MTNL to facilitate bill payment of landline phones through mobile application and IVR-based solutions
- Collaborated with Rajkot Municipal Corporation (RMC) for enabling property tax collection through mobile phones
- Collaborated with various banks, including Corporation Bank and Bank of India, to offer direct debit facility to bank customers to use atom's IVR or mobile application platform

IVR Processed Transaction Volumes (In Million)



IVR Processed Transaction Value (Rs cr)



www.tickerplantindia.com

TickerPlant Ltd.

Business Overview

- 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
- Disseminates information through a variety of delivery channels, including desktop-based applications, browser-based applications and mobile applications
- Entered into agreements with leading domestic and international exchanges as well as leading international data vendors and content providers
- Delivery and display of data tailor-made to meet specific needs

Products & Services

- **MarketView Terminal™** is an integrated cross asset, market data, news and analytics platform that offers real-time streaming information on domestic and international exchanges and extensive coverage of equities, derivatives, commodities, currencies, debt, money markets and mutual funds
- **MarketView Terminal™** offers fast, reliable and comprehensive market data and news updates. Its real-time market data platform delivers ultra low latency, tick-by-tick data and features completely customizable screens, advanced charting, comprehensive and advanced technical analysis and economic data
- **MarketViewMobile®** provides real-time streaming quotes of equities, commodities, derivatives and forex on mobile and enables real-time connectivity to market participants and investors
- **MarketView enews™** incorporates news feed from TickerPlant with multi-screen display options
- **MVXenius™** is a comprehensive financial information suite for all asset classes
- **TickerPlant's Content Solution** for Web module delivers valuable information woven with a wealth of content, including Market Statistics, Corporate Filings, Initial Public Offerings, Mutual Funds, User Portfolio System, Financial Tools and Stock Screeners, etc, on a single platform

Key Milestones During FY 2010-11

- Roll-out of advanced analytical tools and advanced charting functionality in MarketView Terminal
- Enhancement of coverage with addition of new exchange segments
- Enhancement of coverage for the OTC markets
- Expansion into new accounts in various segments (public sector banks, private sector banks, cooperative banks, corporates, brokerage houses and retail segment)

Corporate Governance Report

Corporate Governance Report

Report on Corporate Governance

The detailed report on Corporate Governance for the Financial Year 2010-11, 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 Code of Corporate Governance

Corporate Governance is a systematic process to ensure that all stakeholders' aspirations as well as societal expectations are met. Your company's corporate governance is based on a philosophy of trusteeship, transparency, empowerment, accountability, consistency & 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, Code for Prevention of Insider Trading.

The Company, through its Board and Committees, endeavors to deliver the highest governing standards for the benefit of its stakeholders. Continuous improvement in corporate practices, professionalism, transparency and accountability will enhance the growth of your Company, improve efficiency and raise confidence of all the stakeholders.

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:

The Board of Directors of the Company consists of eight professionally competent members comprising two Promoter & Executive Directors and six Non-Executive Directors, of which four are Independent Non-Executive Directors. The composition of the Board of Directors is as per the table given below:

Name of Director	Designation	Category	Shareholding in Company as of 31st March, 2011 (no. of shares)
Mr. Jignesh P. Shah	Chairman & Managing Director	Promoter & Executive Director	8,329,585
Mr. Dewang Neralla	Whole-time Director	Promoter & Executive Director	60,374
Mr. P. G. Kakodkar	Director	Independent, Non-Executive	2,150
Mr. Chandrakant Kamdar	Director	Independent, Non-Executive	Nil
Mr. R. Devarajan	Director	Independent, Non-Executive	Nil
Mr. C. M. Maniar*	Director	Independent, Non-Executive	Nil
Mr. Ravi K. Sheth	Director	Non-Independent, Non-Executive	2,492,854
Mr. P. R. Barpande**	Director	Non-Independent, Non-Executive	Nil
Mr. C. Subramaniam***	Director	Independent, Non-Executive	Nil

*appointed w.e.f. 15th October, 2010
**appointed w.e.f. 11th August, 2010
***ceased w.e.f. 29th September, 2010

2.2 Board Meetings

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

The Board of Directors met seven times during the year. The dates of meetings being 28th April, 2010; 29th May, 2010; 11th August, 2010; 09th November, 2010; 18th January, 2011; 27th January, 2011 and 31st March, 2011. 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 2010-11 as well as the last Annual General Meeting. It also gives details of the number of other Directorships and Chairmanship/Membership of Committees of each Director in various Companies, as on 31st March, 2011.

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	7	5	No	12	3	-
Mr. Dewang S. Neralla	7	7	No	9	2	-
Mr. Ravi K. Sheth	7	7	No	2	1	-
Mr. P. G. Kakodkar	7	1	No	12	3	2
Mr. Chandrakant Kamdar	7	7	Yes	-	-	-
Mr. R. Devarajan	7	7	Yes	1	1	1
Mr. C. Subramaniam***	7	3	Yes	4	2	3
Mr. P. R. Barpande**	7	4	No	3	4	-
Mr. C. M. Maniar*	7	3	-	14	9	2

*appointed w.e.f. 15th October, 2010
**appointed w.e.f. 11th August, 2010
***ceased w.e.f. 29th September, 2010

Notes:

1. None of the Directors of the Company hold membership of more than ten committees nor is a Chairperson of more than five committees (as specified in Clause 49), across all companies of which he is a director.
2. The committees considered for the above purpose are those as specified in existing Clause 49 of the Standard Listing Agreement(s) i.e. Audit Committee and Shareholders/Investors Grievance 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 Chief Executive Officer of the Company regarding compliance of the above mentioned Code by Directors and the Senior Management of the Company forms part of the Corporate Governance Report.

d) Insider Trading Policy

The Company has implemented the Insider Trading System called "Financial Technologies (India) Limited Share Dealing Code" ("Policy") 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	atom Technologies Limited, Financial Technologies Communications Limited, FT Knowledge Management Company Limited, Global Payment Networks Limited, IBS Forex Limited, Indian Energy Exchange Limited, Multi Commodity Exchange of India Limited, MCX Stock Exchange Limited, National Bulk Handling Corporation Limited, National Spot Exchange Limited, Riskraft Consulting Limited, TickerPlant Limited.
Mr. Dewang S. Neralla	atom Technologies Limited, Boursa India Limited, Financial Technologies Communications Limited, Global Payment Networks Limited, Indian Bullion Market Association Limited, Riskraft Consulting Limited, TickerPlant Limited, Trans-Global Credit & Finance Limited, FT Projects Limited.
Mr. Ravi K. Sheth	Greatship (India) Limited, The Great Eastern Shipping co. Limited.
Mr. P. G. Kakodkar	Apian Finance & Investment Limited, Anand Rathi Financial Services Limited, Centrum Capital Limited, Fomento Resorts and Hotels Limited, Goa Carbon Limited, Sesa Goa Limited, Multi Commodity Exchange of India Limited, Sesa Industries Limited, Uttam Galva Steel Limited, IBS Forex Limited, Accounts Receivable Management Services (India) Limited, Auditime Information Systems (India) Limited.
Mr. Chandrakant Kamdar	Nil
Mr. R. Devarajan	National Bulk Handling Corporation Limited.
Mr. P. R. Barpande	MCX-SX Clearing Corporation Limited, Blossom Industries Limited, MCX Stock Exchange Limited.
Mr. C. M. Maniar	Multi Commodity Exchange of India Limited, MCX Stock Exchange Limited, Food & Inns Limited, Godfrey Phillips India Limited, Gujarat Ambuja Exports Limited, Hindalco Industries Limited, Indo-Euro Investment Company Limited, Indian Card Clothing Company Limited, Machine Tools (India) Limited, Pioneer Investcorp Limited, Sudal Industries Limited, TCPL Packaging Limited, Varun Shipping Company Limited, Utkal Alumina International Limited, Vadilal Industries Limited (Alternate Director).

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 Finance Officer and 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 non-executive directors:

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

*ceased w.e.f. 29th September 2010.
**appointed w.e.f. 09th November 2010

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 for 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 focussing primarily on any changes in accounting policies and practices, major accounting entries based on exercise of judgement by the Management, significant adjustments arising out of audit, the going concern assumptions, compliance with Accounting Standards, compliance with Stock Exchange and legal requirements concerning financial statements, any related party transactions i.e. transactions of the Company of material nature, with Promoters or the Management, their subsidiaries or relatives, etc, that may have potential conflict with the interest of Company 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 five times during the year. The maximum time gap between any two meetings was not more than four calendar months.

Name of the Director	Designation	Category
Mr. C. Subramaniam*	5	3
Mr. P. G. Kakodkar	5	1
Mr. Chandrakant Kamdar	5	5
Mr. R. Devarajan	5	5
Mr. P. R. Barpande**	5	1

*ceased w.e.f. 29th September, 2010.
**appointed w.e.f. 09th November, 2010.

3.4 Risk Management

The Risk Management Committee (RMC) met 2 times during the year. The RMC is interalia 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.

4. Remuneration and Compensation Committee

4.1 Composition, Names of Members and Chairperson

Remuneration and Compensation Committee comprises of:

Name of the Member	Designation	Category
Mr. Chandrakant Kamdar	Chairman	Independent Director
Mr. P. G. Kakodkar	Member	Independent Director
Mr. C. Subramaniam*	Member	Independent Director
Mr. R. Devarajan	Member	Independent Director
Mr. P. R. Barpande**	Member	Non-Independent Director

*ceased w.e.f. 29th September, 2010.
**appointed w.e.f. 09th November, 2010.

4.2 Brief Description of terms of reference

4.2.1 Review the overall compensation policy, service agreements and employment conditions of the Managing Director and Whole-time Directors and other employees of appropriate cadres with a view to motivating the best managerial talents and their remuneration package;

4.2.2 Evaluate the remuneration paid by comparable organizations;

4.2.3 Review the performance of the Managing Director and Whole-time Director and recommend to the Board in this regard;

4.2.4 Monitor and implement the ESOS/ESOP Scheme and also formulate such schemes hereafter for grant of Stock Options to the employees including Managing and Whole-time Directors (other than Promoter Directors) in accordance with the relevant regulations for the time being in force and issue & allotment of 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. Mr. Chandrakant Kamdar, Mr. C. Subramaniam and Mr. R. Devarajan attended all the meetings.

4.3 Remuneration Policy

The Company's interalia 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 the annual appraisal process. The Company, through its Compensation Program, attracts, develops, motivates and retains its talented workforce.

4.4 Directors Remuneration

i. Remuneration to Executive Directors:

The aggregate value of salary, perquisites paid for the year ended 31st March, 2011 to the Managing Director and Whole-time Director are as follows:

(Amount in Rupees)

Particulars	Jignesh Shah Managing Director	Dewang Neralla Whole-time Director	Total
Salaries and Allowances*	29,595,054	17,413,130	47,008,184
Monetary value of perquisites	4,071,536	10,800	4,082,336
Provision for compensated absences	411,042	241,849	652,891
Commission	62,500,000	-	62,500,000
Total	96,577,633	17,665,779	114,243,412

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

Besides, the Managing Director & Whole-time Director is 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 to Non-Executive Directors

The Company pays sitting fees of Rs 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 Committee of Directors) for the year ended 31st March, 2011 is as follows:

Name of the Director	Gross Sitting Fees (Rs)
Mr. C. Subramaniam	60,000
Mr. Ravi K. Sheth	70,000
Mr. P. G. Kakodkar	20,000
Mr. Chandrakant Kamdar	120,000
Mr. R. Devarajan	120,000
Mr. P. R. Barpande	50,000
Mr. C. M. Maniar	30,000

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

5. Shareholders'/Investor Grievance and Share Transfer Committee

5.1 Composition, Names of Members and Chairperson

The Committee comprises of:

Name of the Member	Designation	Category
Mr. C. Subramaniam*	Chairman	Independent Director
Mr. Dewang S. Neralla	Member	Whole-time Director
Mr. C. M Maniar**	Chairman/Member	Independent Director

*ceased w.e.f. 29th September, 2010.
**appointed w.e.f. 09th November, 2010.

5.2 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: +91-22-6649 7000 | F: +91-22-67250257 | E: info@ftindia.com

5.3 Brief Description of terms of reference

The Committee, inter alia, approves transfer and transmission of shares, issue of duplicate share certificates and reviews all the matters connected with the share transfers. The Committee also looks into the redressal of shareholders/investors complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of dividends etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company. The Committee met 6 times during the year under review.

The status of nature of Complaints received, resolved and pending during the financial year ended 31st March, 2011.

Name of the Member	Received	Resolved	Pending
Non-receipt of share certificate after transfer/merger/split/consolidation	10	10	-
Non-receipt of Annual Report	8	8	-
Non-receipt of Dividend	18	18	-
Total	**36**	**36**	-

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, 2011.

6. General Body Meetings

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

Financial Year	Date	Time	Venue of the meeting
2007-08	28-08-2008	10.00 A.M.	Russian Cultural Centre, 74, Kasturi Ranga Road, Chennai 600 018
2008-09	25-09-2009	10.00 A.M.	Russian Cultural Centre, 74, Kasturi Ranga Road, Chennai 600 018
2009-10	29-09-2010	10.30 A.M.	Russian Cultural Centre, 74, Kasturi Ranga Road, Chennai 600 018

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

Date	Particulars
28-08-2008	No Special resolution was passed.
25-09-2009	i) Re-appointment of Managing Director ii) Re-appointment of Whole-time Director iii) Consent of the Shareholders for grant of ESOPs under ESOS 2009 to the eligible employees/Directors of the Company. iv) Consent of the Shareholders for grant of ESOPs under ESOS 2009 to the eligible employees/Directors of the Subsidiary/ies. v) Consent of the Shareholders for issue/offer Depository Receipts/other equity related instruments through International/Domestic Public Offering not exceeding Rs 1500 crore. vi) Revision in salary of Mr. Manjay P. Shah holding office of profit in terms of section 314 (1B) of the Companies Act, 1956.
29-09-2010	i) Consent of the Shareholders for grant of ESOPs under ESOS 2010 to the eligible employees/Directors of the Company. ii) Consent of the Shareholders for grant of ESOPs under ESOS 2010 to the eligible employees/Directors of the Subsidiary/ies. iii) Consent of the Shareholders for issue/offer Depository Receipts/other equity related instruments through International/Domestic Public Offering not exceeding Rs 1500 crore. iv) Revision in salary of Mr. Manjay P. Shah holding office of profit in terms of section 314 (1B) of the Companies Act, 1956.

6.2 Postal Ballot

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

6.3 Disclosures

6.3.1 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 of the Company at large. There are 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 Notes to the Accounts in the Annual Report.

6.3.2 There were no instances of non-compliances of any matter related to the capital markets during the year and the Company has complied with the requirements of regulatory authorities on capital markets.

7. Means of Communication

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

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

7.3 The Company's audited & 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**

The Company's financial results, shareholding pattern, corporate announcements, etc, are posted on the website **www.corpfiling.co.in** as per the requirements of Clause 52 of the Listing Agreement.

7.4 Management Discussion and Analysis Report: This information is covered elsewhere in this Annual Report.

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

8. General Shareholder Information

8.1 Annual General Meeting

Date : 29th September 2011, Thursday

Time : 10.30 A.M.

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

8.2 Financial Calendar

Financial Year 1st April, 2011 to 31st March, 2012

Financial Reporting for the quarter ending (tentative and subject to change):

30th June, 2011	By or before 12th August, 2011
30th September, 2011	By or before 14th November, 2011
31st December, 2011	By or before 14th February, 2012
31st March, 2012	By or before 30th May, 2012 (audited figures) as per Stock Exchange Listing Agreement

8.3 Book-Closure Date and Dividend Disclosure

a) The Books shall be closed from 23rd September, 2011 to 29th September, 2011 (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 22nd day of September 2011, as per the details available with NSDL & CDSL, and
- on the Register of Members as on 22nd day of September 2011 of owners holding shares in physical form.

b) Announcement of Dividend:

The Board of Directors have proposed a final dividend of Rs 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 Rs 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)/Electronic Clearing Service (ECS) at approved locations, wherever NECS/ECS 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 Office at 8th Floor, FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai - 400 093, for revalidation.

Date of Payment: Within the statutory time limit.

8.4 Listing

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

Foreign Currency Convertible bonds of the Company are listed on Singapore Exchange Securities Trading Limited.

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, 2011, there were 49,405 shareholders of the Company.

8.5 Stock Market Codes

a) Trading Symbol

Name of the Stock Exchanges	Scrip Code	Reuters	Bloomberg	Bond Code (FCCB)
Bombay Stock Exchange 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	-	-	-
SGX-ST	-	-	-	028010800

b) Depository for Equity Shares : NSDL and CDSL

c) Demat ISIN Number

- Equity share : INE111B01023
- ZCCB : XS0280108001

d) GDR Security Numbers :

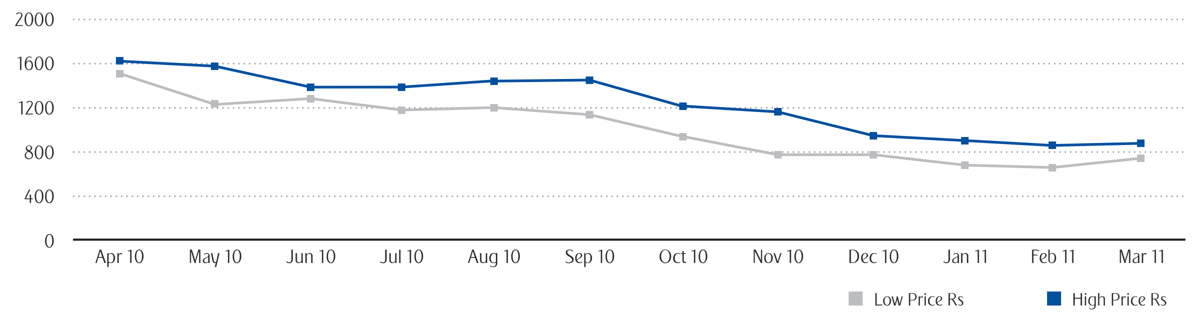
- Regulation S GDRs
  Master Regulation S GDR ISIN: US31769V2060
  Master Regulation S GDR Common Code: 032082424
  Master Regulations S GDR CUSIP: 31769V206
- Rule 144A GDRs
  Master Rule 144A GDR ISIN: US31769V1070
  Master Rule 144A GDR CUSIP: 31769V107
  Master Rule 144A GDR Common Code: 032082823

8.6 Stock Market Data

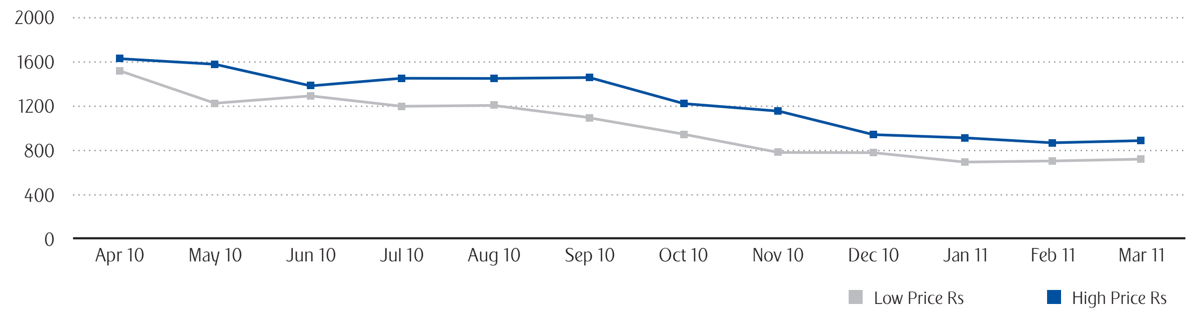
The market price data is given below, covering the period April 2010 to March 2011:

	National Stock Exchange			Bombay Stock Exchange		
Month & Year	High Price Rs	Low Price Rs	Volume Nos.	High Price Rs	Low Price Rs	Volume Nos.
Apr 2010	1625.15	1512.00	2084883	1626.00	1512.00	617419
May 2010	1577.00	1228.00	2694797	1576.00	1228.00	709685
Jun 2010	1389.40	1291.00	1806099	1377.05	1294.00	548575
Jul 2010	1394.00	1183.00	1786355	1448.00	1190.00	635111
Aug 2010	1445.00	1205.00	2581578	1445.00	1205.00	932333
Sep 2010	1454.15	1141.00	7111985	1453.00	1100.00	1945253
Oct 2010	1225.00	952.00	3150338	1224.00	955.95	847088
Nov 2010	1158.40	775.20	3437442	1153.00	780.10	771674
Dec 2010	949.00	775.50	3702776	947.80	776.10	1054577
Jan 2011	909.95	681.25	3773482	909.25	689.05	1043743
Feb 2011	861.90	655.00	3929927	863.00	702.50	866155
Mar 2011	883.00	741.25	2991070	881.00	720.00	1202582

NSE Price Data



BSE Price Data



8.7 **Share Price Performance in broad based indices**

Performance of the company's shares vis-a-vis Sensex and CNX Nifty at a common base of 100 for the year-ended 31st March 2011 is given in the chart below:

Chart Showing FTIL Price in BSE VS SENSEX

At a common base of 100 from April 2007 to March 2011

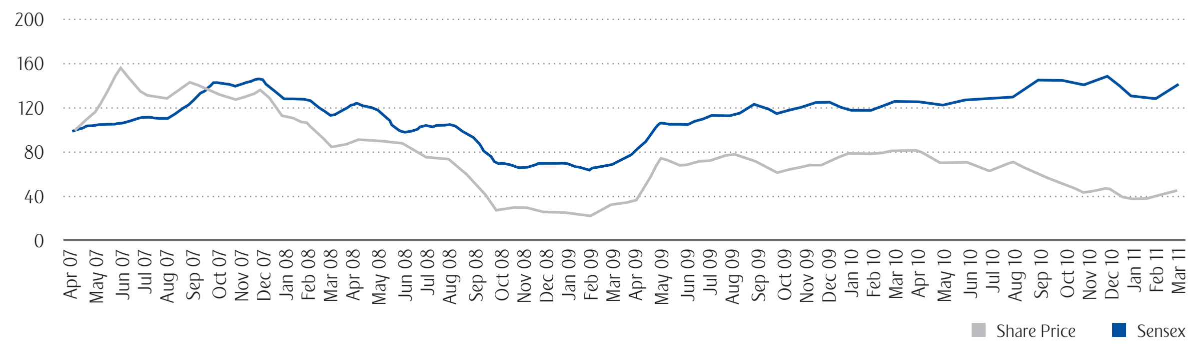
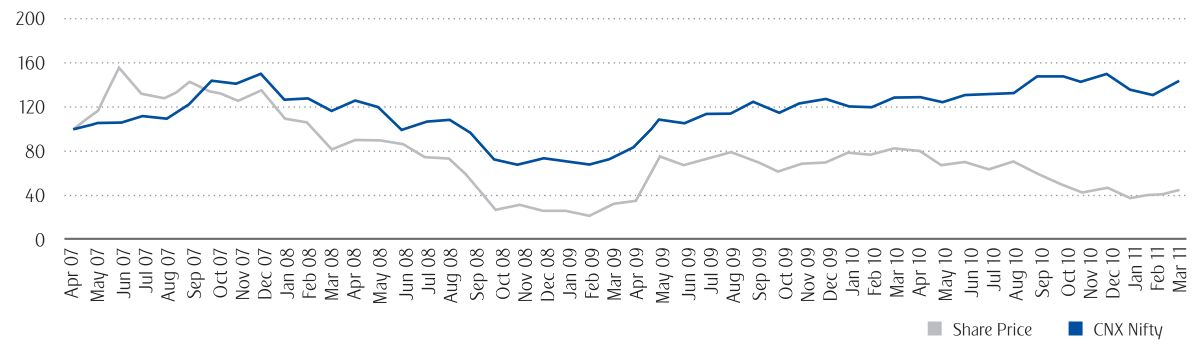


Chart showing FTIL price in NSE VS CNX NIFTV
At a common base of 100 from April 2007 to March 2011



8.8 Registrars & Transfer Agents

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

8.9 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.

8.10 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 & CDSL. As on 31st March, 2011, a total of 45,930,559 equity shares of the Company were dematerialised, forming 99.68% of the Company's total Share Capital.

Category	No. of Shareholders	% of Shareholders	No. of Equity Shares	% of Shares
Physical	496	1.00	147,978	0.32
Electronic				
Under CDSL	17,519	35.46	3,104,555	6.74
Under NSDL	31,390	63.54	42,826,004	92.94
Total	**49,405**	**100.00**	**46,078,537**	**100.00**

8.11 Distribution of Shareholding and Shareholding Pattern as on 31st March, 2011

	Shareholders		Shares Held	
Shareholding Range	Number	% of total	Number	% of total
1 - 500	48,031	97.22	2,074,827	4.50
501 - 1000	676	1.37	506,426	1.10
1001 - 2000	281	0.57	416,642	0.90
2001 - 3000	103	0.21	256,015	0.56
3001 - 4000	56	0.11	201,047	0.44
4001 - 5000	37	0.07	169,708	0.37
5001 - 10000	81	0.16	578,788	1.26
10001 and above	140	0.28	41,875,084	90.88
Total	**49,405**	**100.00**	**46,078,537**	**100.00**

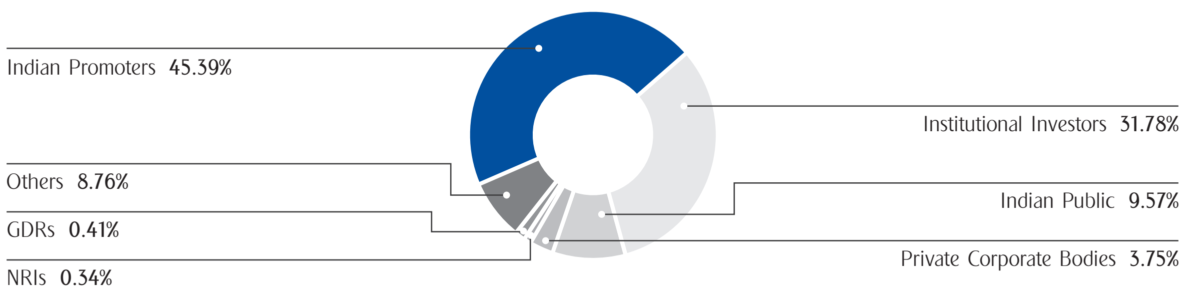
8.12 Shareholding Pattern

As on 31st March, 2011	No. of Shares Held	% of Share Holding
A. **Promoter's Holding**		
Indian Promoters:	20,914,306	45.39
(Promoters Directors, their relatives and companies under their control)		
Foreign Promoters	-	-
Sub Total (A)	**20,914,306**	**45.39**
B. **Public Shareholdings**		
Institutional Investors:		
a) Mutual Funds	3,552,337	7.71
b) Banks	128,493	0.28
c) Foreign Institutional Investors	10,919,700	23.70
d) Financial Institutions	39,724	0.09
Non-Institutional Investors:		
a) Private Corporate Bodies	1,728,711	3.75
b) Indian Public	4,409,808	9.57
c) NRIs	156,426	0.34
d) Others	4,038,259	8.76
Subtotal (B)	**24,973,458**	**54.20**
GDRs underlying Equity Shares	190,773	0.41
Subtotal (C)	**190,773**	**0.41**
GRAND TOTAL (A+B+C)	**46,078,537**	**100.00**

Notes:

1. The Company issued 11,639,677 GDRs in FY 2007-08, whereby seven GDRs represent one equity share of a nominal value of Rs 2 each.
2. The total foreign holding is 11,266,899 shares, i.e. 24.45% of the total share capital.

Shareholding Pattern



8.13 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.

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

8.14.1 Foreign Currency Convertible Bonds (FCCBs):

As at Balance sheet, date 90,500 ZCCBs having face value of US$ 1,000 each are outstanding and disclosed in the Balance Sheet, under "Unsecured Loan".

8.14.2 Employee Stock Option Scheme (ESOP):

ESOP 2005 Scheme completed five years on October 30, 2010, hence no stock options were in force as on 31st March, 2011.

8.14.3 Global Depository Receipts (GDRs):

The outstanding GDR as on 31st March, 2011 was 1,335,411.

9. 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.

10. 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 6649 7000 | **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 6649 7000 | **F:** +91 22 6725 0257 | **E:** info@ftindia.com

11. 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.

Shareholders of the Company who have either not received or haven't encashed their dividend warrants, for the financial year 2003-04, 2004-05, interim and 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, and Interim Dividend 2010-11, are requested to claim the unpaid/unclaimed dividend from the Company/Share Transfer Agent of the Company before transfer to the IEPF.

Particulars	Rate of Dividend	Date of Declaration	Due for Transfer on or before
Final Dividend 2003-04	10%	25th September, 2004	30th November, 2011
Final Dividend 2004-05	20%	27th September, 2005	01st December, 2012
Interim Dividend 2005-06	40%	26th October, 2005	30th December, 2012
Final Dividend 2005-06	260%	29th September, 2006	03rd December, 2013
1st Interim Dividend 2006-07	40%	31st July, 2006	04th October, 2013

Particulars	Rate of Dividend	Date of Declaration	Due for Transfer on or before
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 January, 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
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

12. 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:

Name of Director	Mr. P. G. Kakodkar
Date of Birth	10-03-1937
Date of Appointment	31-01-2001
Date of last re-appointment	25-09-2009
Qualifications	M.A (Economics)
Experience in specific functional areas	Ex-Chairman of State Bank of India (SBI), work spanning over four decades with SBI, handled all aspects of Banking & Finance.
Directorships	Apian Finance & Investment Limited, Anand Rathi Financial Services Limited, Centrum Capital Limited, Fomento Resorts and Hotels Limited, Goa Carbon Limited, Sesa Goa Limited, Multi Commodity Exchange of India Limited, Sesa Industries Limited, Uttam Galva Steel Limited, IBS Forex Limited, Accounts Receivable Management Services (India) Limited, Auditime Information Systems (India) Limited.
Membership/Chairmanship on Committees of other Companies	Chairmanship: 02 Membership: 03
Number of shares held in the Company	2,150

Name of Director	**Mr. Chandrakant Kamdar**
Date of Birth	09-03-1942
Date of Appointment	23-03-2009
Qualifications	B.Com, Fellow member of the Chartered Institute of Arbitrators - U.K., Certified Fraud Examiner - USA and Certified Anti-Money Laundering Specialist - USA.
Experience in specific functional areas	Over four decades of experience in the stock exchange and financial service domain including Arbitration, Fraud Examination and Anti Money Laundering
Directorships	Sahara Asset Management Co. Pvt. Limited, Ohm Portfolio Equi Research Pvt. Limited.
Membership/Chairmanship on Committees of other Companies	Nil Nil
Number of shares held in the Company	Nil

Name of Director	**Mr. C. M. Maniar**
Date of Birth	04-12-1935
Date of Appointment	15-10-2010
Date of last re-appointment	-
Qualifications	B.Com, L.L.B, M.A (Economics & Politics)
Experience in specific functional areas	Over 4 decades of experience in Legal Profession. Senior partner of Crawford Bayley & Co., Solicitors & Advocates.
Directorships	Multi Commodity Exchange of India Limited, MCX Stock Exchange Limited, Food & Inns Limited, Godfrey Phillips India Limited, Gujarat Ambuja Exports Limited, Hindalco Industries Limited, Indo-Euro Investment Company Limited, Indian Card Clothing Company Limited, Machine Tools (India) Limited, Pioneer Investcorp Limited, Sudal Industries Limited, TCPL Packaging Limited, Varun Shipping Company Limited, Utkal Alumina International Limited, Vadilal Industries Limited, (Alternate Director), Amsar Pvt. Limited, North point Training Research Pvt. Limited.
Membership/Chairmanship on Committees of other companies	Chairmanship: 02 Membership: 9
Number of shares held in the Company	Nil

Declaration by the Chief Executive Officer 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, 2011.

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

Place: Mumbai
Date: 27th May, 2011

Jignesh Shah
Chairman & Managing Director

Certification of Financial Statements of the Company by the Chief Executive Officer (CEO) and 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, 2011 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
Chairman & Managing Director

Devendra Agrawal
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2011

Auditors' Certificate on Compliance of Conditions of Corporate Governance as per Clause 49 of the Listing Agreement of the stock exchange

To the members of Financial Technologies (India) Limited

We have examined the compliance of conditions of Corporate Governance by Financial Technologies (India) Limited, for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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 affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No: 117366W)

Rajesh K Hiranandani
Partner
Membership No. 36920

Place: Mumbai
Date: 10th August, 2011

Financials

Financials

Standalone Financial Statements

Auditors' Report

To the Members of Financial Technologies (India) Limited

1. We have audited the attached Balance Sheet of **Financial Technologies (India) Limited** ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Without qualifying our opinion, we continue to draw attention to Note 5 on Schedule 15 regarding the Company's stand that no tax liability is expected as a consequence to a court approved reduction-cum arrangement scheme of MCX Stock Exchange Limited based on independent legal / tax counsel's opinion as stated in the said Note and Note 23 on Schedule 15 regarding investments made in certain subsidiaries and a joint venture which have continuing losses and the loans and advances / debts due 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.

5. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
   b) 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
   e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
      ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
      iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

6. On the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No: 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

Mumbai, 27th May, 2011

Annexure To The Auditors' Report

(Referred to in Paragraph 3 of our report of even date)

I) Having regard to the nature of the Company's business/activities/result, clauses (v), (vi), (viii), (xi), (xii), (xiii), (xvi), (xviii) and (xix) of CARO are not applicable.

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 of records of inventories, 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 listed 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 is not possible, in respect of sale of products and services and in respect of some of the items purchased are 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 purchase of inventory and fixed assets and the sale of products and services. During the course of our audit, we have not observed any major weakness in such internal control system.

vi) In our opinion, the internal audit function 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.

vii) According to the information and explanations given to us in respect of statutory dues:

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

b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.

Annexure To The Auditors' Report

(Referred to in Paragraph 3 of our report of even date)

c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs)
Finance Act, 1994	Service Tax	Commissioner of Service Tax	July 9, 2004 to October 6, 2005	7,857,994
Finance Act, 1994	Service Tax	Commissioner of Service Tax	December, 2004 to March, 2007	16,592,020
Central Excise Act, 1944	Excise duty	Central Excise and Service Tax Appellate Tribunal	March 1, 2006 to December 20, 2006	18,487,671
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	April 1, 2005 to March 31, 2006	1,765,293
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax (Appeal)	April 1, 2008 to March 31, 2009	2,806,504
Income Tax Act, 1961	Income Tax - penalty	Commissioner of Income Tax (Appeals)	Assessment years 2003-04, 2004-05, 2005-06 & 2006-07	20,500,000

viii) The Company does not have any accumulated losses as at the end of the year. The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

ix) Based on our examination of the records and evaluations of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.

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, 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 and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not, *prima facie,* been used during the year for long-term investment.

xii) The Management has disclosed in note 15(c) on Schedule 15-II, the end use of money raised by public issue of Zero Coupon Convertible Bonds and we have verified the same.

xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No: 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

Mumbai, 27th May, 2011

Financials

Balance Sheet

As at 31st March, 2011

(Amount in Rupees)

	Schedule No.	As at 31.03.2011		As at 31.03.2010	
I. SOURCES OF FUNDS					
1) Shareholders' funds:					
a) Share Capital	1	92,157,074			92,157,074
b) Reserves and Surplus	2	20,512,485,814			20,324,468,737
			20,604,642,888		20,416,625,811
2) Loan funds:					
Unsecured Loan - Others					
Zero Coupon Convertible Bonds (ZCCB) (Refer Note 15(a) to Schedule 15-II)			4,040,825,000		4,085,170,000
3) Deferred tax liability (net) (Refer Note 7 to Schedule 15-II)			120,154,357		87,980,009
4) Foreign Currency Monetary Item Translation Difference Account (FCMITDA) (Refer Note 14 to Schedule 15-II)			-		52,086,836
TOTAL			**24,765,622,245**		**24,641,862,656**
II. APPLICATION OF FUNDS					
1) Fixed assets:	3				
a) Gross block		4,084,464,878			1,041,667,792
b) Less: depreciation/amortisation		215,756,938			167,775,633
c) Net block		3,868,707,940			873,892,159
d) Capital work-in-progress		376,645,724			1,865,267,186
			4,245,353,664		2,739,159,345
2) Investments	4		18,607,077,469		20,019,479,908
3) Current assets, loans and advances:					
a) Sundry debtors	5	326,055,435			604,264,690
b) Cash and bank balances	6	1,475,709,302			2,090,921,729
c) Other current assets	7	69,796,530			39,301,772
d) Loans and advances	8	2,886,854,739			1,610,877,331
		4,758,416,006			4,345,365,522
Less: Current liabilities and provisions:					
a) Current liabilities	9	864,445,994			949,029,196
b) Provisions	10	1,980,778,900			1,513,112,923
		2,845,224,894			2,462,142,119
Net current assets			1,913,191,112		1,883,223,403
TOTAL			**24,765,622,245**		**24,641,862,656**
Significant Accounting Policies and Notes to Accounts	15				

The schedules referred to above form an integral part of the accounts.

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

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 27th May, 2011

For and on behalf of the Board.

Jignesh Shah
Chairman & Managing Director

Chandrakant Kamdar
Director

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

Place : Mumbai
Date : 27th May, 2011

Profit & Loss Account

For the Year Ended 31st March, 2011

(Amount in Rupees)

	Schedule No.	Current year	Previous year
INCOME			
Sales	11	3,308,896,938	3,109,278,007
Less: Excise duty		4,985	39,405,646
		3,308,891,953	3,069,872,361
Other income	12	1,688,616,276	3,411,911,043
		4,997,508,229	6,481,783,404
EXPENDITURE			
Purchase of Trading goods		35,619,741	46,373,397
Operating and other expenses	13	2,234,910,800	1,904,600,869
Interest	14	7,033,644	155,581
Depreciation/amortisation/impairment		110,890,830	58,924,196
		2,388,455,015	2,010,054,043
Profit before tax and exceptional item		2,609,053,214	4,471,729,361
Exceptional item (Refer Note 13 to Schedule 15-II)		2,091,649,914	-
Profit before tax		517,403,300	4,471,729,361
Provision for taxation			
Income tax: Current tax		229,027,194	1,106,714,075
Deferred tax		59,685,327	(78,723,272)
Income tax in respect of earlier years		20,102,786	-
		308,815,307	1,027,990,803
Tax effect on exceptional item (Refer Note 13 to Schedule 15-II)		(710,951,806)	-
Wealth Tax		192,826	79,830
		(401,943,673)	1,028,070,633
Profit after tax		919,346,973	3,443,658,728
Balance brought forward from Previous Year		13,759,279,611	11,095,989,210
Amount available for appropriation		14,678,626,584	14,539,647,938
Appropriations			
Transfer to General Reserve		124,000,000	350,000,000
Final Dividend (Proposed)		92,157,074	92,157,074
Interim Dividend		276,471,222	275,717,086
Tax on Dividend		60,512,638	62,494,167
Balance carried to Balance Sheet		14,125,485,650	13,759,279,611
Earnings Per Share (Refer note 18 to Schedule 15-II)			
Basic		19.95	74.97
Diluted		19.95	74.96
Face Value per share		2	2
Significant Accounting Policies and Notes to Accounts	15		

The schedules referred to above form an integral part of the accounts.

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

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 27th May, 2011

For and on behalf of the Board.

Jignesh Shah
Chairman & Managing Director

Chandrakant Kamdar
Director

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

Place : Mumbai
Date : 27th May, 2011

Financials

Cash Flow Statement

for the year ended 31st March, 2011

(Amount in Rupees)

	Current Year		Previous Year	
A. Cash flow from operating activities				
Net profit before tax		517,403,300		4,471,729,361
Adjustments for:				
Depreciation/amortisation/impairment	110,890,830		58,924,196	
Profit on sale of investments (net)	(693,529,755)		(2,517,386,717)	
(Profit)/Loss on sale of fixed assets (net)	10,453,360		(30,765,343)	
Exceptional item (Refer Note 13 to Schedule 15-II)	2,091,649,914		-	
(Reversal of write down)/write down in value of current investments (net)	(5,036,866)		14,004,464	
Provision for other than temporary diminution in the value of long tem investments	321,000,000		-	
Reversal of provision for doubtful debts/advances (net)	(2,152,144)		-	
Dividend from investments	(448,657,380)		(369,961,627)	
Interest expense	-		155,581	
Exchange rate fluctuations-unrealised (Gain)/Loss	(77,110,444)		420,765,006	
Interest income	(164,985,347)	1,142,522,168	(228,725,074)	(2,652,989,514)
Operating profit before working capital changes		**1,659,925,468**		**1,818,739,847**
Adjustments for:				
Trade and other receivables	339,398,462		247,820,507	
Trade payables and provisions	56,979,252	396,377,714	40,473,753	288,294,260
Cash generated from operations		**2,056,303,182**		**2,107,034,107**
Tax paid		(417,122,281)		(124,204,292)
Net cash from operating activities		**1,639,180,901**		**1,982,829,815**
B. Cash flow from investing activities				
Purchase of fixed assets		(2,126,813,162)		(260,804,704)
Proceeds from sale of fixed assets		345,273,957		373,064,651
Purchase of investments in subsidiaries, associates and joint venture		(509,725,385)		(4,504,217,479)
Proceeds from partial sale of stake (net of brokerage) (Refer Note 12 to Schedule 15-II)		209,893,058		2,440,156,250
Payment to financial institution on exercise of right to reset price of investment in shares sold (Refer Note 13 to Schedule 15-II)		(2,091,649,914)		-
Purchases of investments - others		(35,054,278,477)		(44,348,408,717)
Proceeds from sale of investments - others		37,144,079,864		43,341,027,119
(Increase)/decrease in fixed deposit with banks		(227,735,780)		2,297,459,477
Interest income		138,186,623		294,476,103
Loans and advances to subsidiary companies		(259,383,993)		(530,295,981)
Dividend from investments		444,961,346		369,961,627
Net Cash used in investing activities		**(1,987,191,863)**		**(527,581,654)**
Tax Paid		(64,134,130)		(881,025,653)
Net cash used in investing activities		**(2,051,325,993)**		**(1,408,607,307)**
C. Cash flow from financing activities				
Proceeds from issue of share capital		-		191,313,840
Dividend paid during the year including dividend tax		(428,965,256)		(429,213,964)
Interest expense		-		(155,581)
Net cash used in financing activities		**(428,965,256)**		**(238,055,705)**
Net (decrease)/increase in cash and cash equivalents		**(841,110,348)**		**336,166,803**
Cash and cash equivalents (opening balance)		1,528,096,820		1,191,930,017
Cash and cash equivalents (closing balance)		686,986,472		1,528,096,820

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 (Refer Schedule 6) with cash and cash equivalents is as follows

(Amount in Rupees)

	Current Year	Previous Year
Cheques on hand	106,621,143	-
Bank balances	572,626,997	1,522,196,347
Unrealised Loss/(Gain) on foreign currency cash and cash equivalents	7,738,332	5,900,473
Cash and cash equivalents	686,986,472	1,528,096,820
- In deposit accounts (maturity more than 3 months)	796,461,162	568,725,382
Unrealised (Loss)/Gain on foreign currency cash and cash equivalents	(7,738,332)	(5,900,473)
Cash and bank balances	**1,475,709,302**	**2,090,921,729**

2. Loans and advances given to subsidiary companies are considered as part of investing activities and are net of repayments.
3. 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.
4. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement".
5. Details of fixed deposits under lien are given in Schedule 6
6. Previous Years figures have been regrouped/rearranged wherever necessary to correspond with the figures of the current year.

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

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 27th May, 2011

For and on behalf of the Board.

Jignesh Shah
Chairman & Managing Director

Chandrakant Kamdar
Director

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

Place : Mumbai
Date : 27th May, 2011

Schedules

Forming Part of the Accounts

(Amount in Rupees)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 1: SHARE CAPITAL			
Authorised:			
150,000,000 Equity shares of Rs 2 each		300,000,000	300,000,000
Issued, subscribed and paid up:			
46,078,537 Equity shares of Rs 2 each fully paid-up		92,157,074	92,157,074
Notes:			
a) Of the above			
i) 33,000,494 Equity shares of Rs 2 each fully paid-up have been allotted for consideration other than cash pursuant to schemes of amalgamation.			
ii) 538,630 Equity shares of Rs 2 each fully paid-up have been allotted to the employees under employee stock option ('ESOP') schemes.			
iii) 1,662,811 Equity shares of Rs 2 each fully paid-up have been alloted against Global Depositary Receipts ('GDR') issued by the Company.			
b) Particulars of options on unissued capital (Refer Note 6 and 15 to Schedule 15-II)			
TOTAL		92,157,074	92,157,074
SCHEDULE 2: RESERVES AND SURPLUS			
Capital Reserve:			
Balance as per last balance sheet		14,759,312	14,759,312
Securities Premium Account:			
Balance as per last balance sheet	4,885,031,431		4,977,280,691
Add: Received during the year on issue of shares under ESOP	-		190,924,040
Less: Provision for premium payable on redemption of ZCCB [including prior period Rs Nil (Previous Year Rs 104,798,151), net of tax of Rs 150,513,211 (Previous Year Rs 145,812,157)]	302,566,883		283,173,300
		4,582,464,548	4,885,031,431
General Reserve			
Balance as per last balance sheet	1,666,014,665		1,316,014,665
Add: Transferred from Profit and Loss Account	124,000,000		350,000,000
		1,790,014,665	1,666,014,665
Foreign Currency Translation Reserve			
Balance as per last balance sheet	(616,282)		1,177,523
Add: Movement during the year	377,921		(1,793,805)
		(238,361)	(616,282)
Profit and Loss Account		14,125,485,650	13,759,279,611
TOTAL		20,512,485,814	20,324,468,737

Schedules

Forming Part of the Accounts

SCHEDULE 3: FIXED ASSETS

(Amount in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.2010	Additions for year	Deletion/ Adjustments	Cost as at 31.03.2011	Upto 31.03.2010	For the year	Deletion/ Adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangible Assets										
Freehold Land	466,660,192	-	-	466,660,192	-	-	-	-	466,660,192	466,660,192
Leasehold Land	69,443,605	-	768,118	68,675,487	2,882,821	771,335	-	3,654,156	65,021,331	66,560,784
Building	18,082,611	2,486,615,297	-	2,504,697,908	4,422,618	13,192,806	-	17,615,424	2,487,082,484	13,659,993
Improvement to Leasehold Premises	41,508,676	40,006,574	38,379,577	43,135,673	19,349,494	14,703,823	21,461,797	12,591,520	30,544,153	22,159,182
Office Equipment (including Computer Hardware)	209,637,922	277,954,274	42,713,060	444,879,136	84,456,261	36,108,963*	25,132,533	95,432,691	349,446,445	125,181,661
Furniture and Fittings	25,808,340	335,738,958	13,258,511	348,288,787	9,979,597	13,372,952*	7,501,056	15,851,493	332,437,294	15,828,743
Vehicles	24,261,517	10,156,115	4,798,072	29,619,560	5,624,474	2,712,446	1,778,431	6,558,489	23,061,071	18,637,043
SUB TOTAL	855,402,863	3,150,471,218	99,917,338	3,905,956,743	126,715,265	80,862,325	55,873,817	151,703,773	3,754,252,970	728,687,598
Intangible Assets (Other than internally generated)										
Trade Mark	579,640	15,000	-	594,640	319,756	63,595	-	383,351	211,289	259,884
Technical Knowhow	633,413	-	-	633,413	633,413	-	-	633,413	-	-
Computer Software	185,051,876	3,005,000	10,776,794	177,280,082	40,107,199	29,964,910	7,035,708	63,036,401	114,243,681	144,944,677
SUB TOTAL	186,264,929	3,020,000	10,776,794	178,508,135	41,060,368	30,028,505	7,035,708	64,053,165	114,454,970	145,204,561
TOTAL	1,041,667,792	3,153,491,218	110,694,132	4,084,464,878	167,775,633	110,890,830	62,909,525	215,756,938	3,868,707,940	873,892,159
Previous Year	677,992,689	552,243,929	188,568,826	1,041,667,792	146,339,103	58,924,196	37,487,666	167,775,633	873,892,159	-
Capital Work-in-Progress includes Capital Advances Rs 174,557,580 (Previous Year Rs 10,748,538)									376,645,724	1,865,267,186
TOTAL									4,245,353,664	2,739,159,345

*Includes provision for impairment of fixed assets Rs 10,460,527 (Previous Year Rs Nil)

Note:

1. Capital Work in Progress including capital advances is in respect of land, buliding and improvement there to etc.
2. Capital Work in Progress as at 31st March, 2010 included purchase of agricultural land aggregating Rs 498,833,045 which has been sold during the year.
3. Exchange difference (loss) (net) included in Capital Work in Progress Rs 5,204,115 (Previous Year Rs 68,756,597) and Fixed Assets Rs 46,695,953 (Previous Year Rs 627,033) pursuant to amended Accounting Standard 11 The Effects of changes in Foreign Exchange Rates. (Refer Note 14 to Schedule 15-II)
4. Building includes Rs 84,318,294 (Previous Year Rs Nil) on long term lease of 95 years, pending registration.

Schedules
Forming Part of the Accounts

(Amount in Rupees)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 4: INVESTMENTS			
I] Long Term investments [at cost (unless otherwise stated)]			
A) Trade Investments (Unquoted):			
In equity shares			
i) 13,259,575 (Previous Year 21,845,586) Equity shares of Rs 10 (Previous Year Rs 5) each fully paid-up of Multi Commodity Exchange of India Limited	106,076,602		109,227,930
ii) 9,140,302 (Previous Year 11,000,000) Equity shares of Rs 10 each fully paid-up of Indian Energy Exchange Limited	91,403,020		110,000,000
iii) 5,750,000 (Previous Year 5,750,000) Equity shares of Rs 10 each fully paid-up of MCX-SX Clearing Corporation Limited	57,500,000		57,500,000
iv) 27,165,000 (Previous Year 27,165,000) Equity shares of Rs 1 each fully paid-up of MCX Stock Exchange Limited (Refer Note 5 to Schedule 15-II)	27,165,000		27,165,000
v) 1,900 (Previous Year 1,900) Class B shares of US$ 1,000 each, fully paid in Dubai Gold and Commodities Exchange DMCC	82,878,000		82,878,000
vi) 1,496,500 (Previous Year 1,496,500) Equity shares of Rs 1 each fully paid-up of Delhi Stock Exchange Limited	104,755,000		104,755,000
vii) 10,000 (Previous Year 4,50,000) Equity shares of Rs 10 each fully paid-up of National Stock Exchange of India Limited	27,847,222		1,253,125,000
viii) 290,000 (Previous Year 290,000) Equity shares of Rs 10 each fully paid-up of Vadodara Stock Exchange Limited	13,485,000		13,485,000
ix) 4,560,000 (Previous Year 4,560,000) equity shares of Rs 10 each, fully paid-up in Safal National Exchange of India Limited	-		45,600,000
		511,109,844	1,803,735,930
In warrants			
562,460,000 (Previous Year 562,460,000) Warrants of Rs 1 each fully paid-up of MCX Stock Exchange Limited (Refer Note 5 to Schedule 15-II)		562,460,000	562,460,000
		1,073,569,844	2,366,195,930
Less: Provision for other than temporary diminution in the value of Investments		-	(45,600,000)
		1,073,569,844	2,320,595,930
B) Other than Trade			
In bonds (Quoted)			
2,000 (Previous Year 2,000) Non Convertible 6.85% IIFCL 2014 Tax Free Series II Bonds of Rs 100,000 each		200,520,000	200,520,000
In equity shares of Subsidiary Companies (Unquoted)			
i) 6,040,000 (Previous Year 3,040,000) Equity shares of Rs 10 each fully paid-up of IBS Forex Limited	60,400,000		30,400,000
ii) 70,000,000 (Previous Year 40,000,000) Equity shares of Rs 10 each fully paid-up of TickerPlant Limited	700,000,000		400,000,000
iii) 44,999,900 (Previous Year 44,999,900) Equity shares of Rs 10 each fully paid-up of National Spot Exchange Limited	449,999,000		449,999,000
iv) 7,000,000 (Previous Year 5,000,000) Equity shares of Rs 10 each fully paid-up of Riskraft Consulting Limited	70,000,000		50,000,000
v) 331,175,000 (Previous Year 331,175,000) Equity shares of Rs 1 each fully paid-up of atom Technologies Limited	390,575,000		390,575,000
vi) 66,000 (Previous Year 66,000) Equity shares of AED 1000 each fully paid-up of Financial Technologies Middle East DMCC	767,455,590		767,455,590
vii) 76,000,000 (Previous Year 66,250,000) Equity shares of Rs 10 each fully paid-up of National Bulk Handling Corporation Limited	821,717,734		662,500,000
viii) 1,000,000 (Previous Year 1,000,000) Equity shares of Rs 10 each fully paid-up of Global Payment Networks Limited	10,000,000		10,000,000

Schedules

Forming Part of the Accounts

(Amount in Rupees)

	As at 31.03.2011		As at 31.03.2010
ix) 50,000 (Previous Year 50,000) Equity shares of Rs 10 each fully paid-up of Financial Technologies Communications Limited	500,000		500,000
x) 60,002 (Previous Year 60,002) Ordinary shares of US$ 1 each fully paid-up of FT Group Investments Pvt. Limited	2,487,486		2,487,486
xi) 10,002 (Previous Year 10,002) Ordinary shares of US$ 1 each fully paid-up of Knowledge Assets Private Limited	397,886		397,886
xii) 10,000,000 (Previous Year 10,000,000) Ordinary shares of US$ 0.1 each fully paid-up of Global Board of Trade Limited.	44,654,034		44,654,034
xiii) Nil (Previous Year 1) Ordinary share of US$ 1 each fully paid-up of Singapore Mercantile Exchange PTE Limited (transferred to FT Singapore PTE Limited)	-		30
xiv) Nil (Previous Year 875,000,010) Ordinary shares of SGD 0.1 each fully paid-up of Singapore Mercantile Exchange PTE Limited (transferred to FT Singapore PTE Limited)	-		2,780,519,669
xv) 3,750,000 (Previous Year 3,750,000) Equity shares of Rs 10 each fully paid-up of FT Knowledge Management Limited	37,500,000		37,500,000
xvi) 50,000 (Previous Year 50,000) Equity shares of Rs 10 each fully paid-up of Trans-Global Credit and Finance Limited	500,000		500,000
xvii) 90 Equity Shares (Previous Year 90) of Rand 1 each in ICX Platform (Pty) Limited	49,912,500		49,912,500
xviii) 5,249,900 (Previous Year 5,249,900) Equity shares of Rs 10 each fully paid-up of Credit Market Services Pvt. Limited	52,499,000		52,499,000
xix) 50,000 shares (Previous Year 50,000) of Rs 10 each in Takshashila Academia of Economic Research Limited	500,000		500,000
xx) 50,000 shares (Previous Year 50,000) of Rs 10 each in Boursa India Limited	500,000		500,000
xxi) 4,313,845 (Previous Year 4,313,845) Equity shares of Rs 10 each fully paid-up of Apian Finance & Investment Limited	54,973,760		54,973,760
xxii) 87,600,001 (Previous Year 100,000) Ordinary shares of SGD 1 each fully paid-up of FT Singapore PTE Limited, increase in investment consequent to transfer of shares in Singapore Mercantile Exchange PTE Limited	2,783,901,934		3,382,235
xxiii) 5,000 (Previous Year Nil) Ordinary shares of MUR 1 each fully paid-up of Financial Technologies Projects Pvt. Limited	7,651		-
xxiv) 50,000 (Previous Year Nil) Ordinary shares of Rs 10 each fully paid-up of FT Projects Limited	500,000		-
		6,298,981,575	5,789,256,190
Less: Provision for other than temporary diminution in the value of Investments		(890,025,934)	(569,025,934)
		5,408,955,641	5,220,230,256
In Optionally Convertible Preference shares of Subsidiary Companies (Unquoted)			
i) 390,000,000 (Previous Year 390,000,000) 5% Optionally convertible Preference shares of US$ 0.1 each fully paid-up of Global Board of Trade Limited.	1,778,643,600		1,778,643,600
ii) 50,000,000 (Previous Year 50,000,000) 5% Optionally convertible Preference shares of US$ 1 each fully paid-up of FT Group Investments Pvt. Limited.	2,301,500,000		2,301,500,000
		4,080,143,600	4,080,143,600
In bonds (Unquoted)			
i) 500 (Previous Year 1,000) Units of Rs 10,000 each of Non Convertible Redeemable taxable bonds of Rural Electrification Corporation Limited	5,000,000		10,000,000
ii) 150 (Previous Year 150) Units of Rs 10,00,000 each of 9.5% IndusInd Bank Limited - Tier II Bonds Issue (Series XIV)	150,000,000		150,000,000
		155,000,000	160,000,000

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Forming Part of the Accounts

(Amount in Rupees)

		As at 31.03.2011	As at 31.03.2010
In trust securities (Unquoted)			
52 (Previous Year 20) Class A units of Rs 100,000 each towards capital contribution in India Venture Trust-Fund I		5,200,000	2,000,000
In Government Securities (Unquoted)			
National Saving Certificate - VIII Issue (deposited with sales tax authorities)		20,000	20,000
Total Long Term Investment		10,923,409,084	11,983,509,786
II] Current (at lower of cost and fair value)			
Other than trade (Quoted)			
In equity shares			
1,033,952 (Previous Year 1,033,952) Equity Shares of MUR 1 each in Knowledge Economies Limited.		10,904,988	14,260,369
Other than trade (Unquoted)			
In equity shares			
2,643,916 (Previous Year 3,600,000) Equity shares of Rs 10 (Previous Year Rs 5) each fully paid-up of Multi Commodity Exchange of India Limited (including in respect of offer of sale (Refer Note 24 to Schedule-15-II)		21,151,328	18,000,000
In units of mutual funds (Unquoted)			
1. 31,780.20 (Previous Year Nil) units of Rs 1000 each of AIG India liquid fund-Super Institutional Daily Dividend	31,811,975		-
2. Nil (Previous Year 10,000.00) units of Rs 1000 each of Axis Liquid Fund-Institutional Plan Daily Dividend Reinvestment	-		10,000,000
3. 4,107,165.10 (Previous Year Nil) units of Rs 10 each of Axis Short term fund Institutional Regular Dividend Reinvestment	41,168,565		-
4. Nil (Previous Year 112,511.76) units of Rs 1000 each of Axis Treasury Advantage fund-Institutional Plan Daily Dividend Reinvestment	-		112,511,762
5. 15,000,000.00 (Previous Year 15,000,000.00) units of Rs 10 each of Baroda Pioneer PSU Bond Fund - Growth Plan	150,000,000		150,000,000
6. 403,105.78 (Previous Year 50,347,359.96) units of Rs 1000 (Previous Year Rs 10) each of Baroda Pioneer Treasury Advantage Fund Institutional Daily Dividend plan	403,472,603		503,931,761
7. 4,500,000.00 (Previous Year Nil) units of Rs 10 each of Birla Sun Life Fixed Term Plan - Series CK Growth	45,000,000		-
8. 10,000,000.00 (Previous Year Nil) units of Rs 10 each of Birla Sun Life Fixed Term Plan Series CJ - Growth (367 days)	100,000,000		-
9. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Birla Sun Life Fixed Term Plan Series CJ - Growth (366 days)	50,000,000		-
10. Nil (Previous Year 2,567,967.77) units of Rs 10 each of Birla Sun Life Savings Fund Institutional-Daily Dividend Reinvestment	-		25,697,140
11. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of BNP Paribas Fixed Term Fund - Ser 20 B Dividend	50,000,000		-
12. 14,800,994.77 (Previous Year Nil) units of Rs 10 each of BSL Dynamic Bond Fund - Retail Plan Monthly Dividend	154,199,284		-
13. Nil (Previous Year 9,998,875.36) units of Rs 10 each of BSL Floating Rate Fund - LTP-Inst. Weekly Dividend Reinvestment	-		100,237,832
14. Nil (Previous Year 5,000,000.00) units of Rs 10 each of BSL Interval Income Fund - Institutional Quarterly Plan - Series 2 - Dividend payout	-		50,000,000
15. 15,294,672.96 (Previous Year Nil) units of Rs 10 each of BSL Interval Income Fund Institutional - Quarterly Series I Dividend	152,948,612		-
16. Nil (Previous Year 10,000,829.38) units of Rs 10 each of BSL Interval Income Fund-Institutional-Quarterly - Series 1 - Dividend payout	-		100,008,294
17. 10,821,582.27 (Previous Year 10,307,570.57) units of Rs 10 each of Canara Robeco Short Term Institutional Dividend Fund	109,431,111		104,229,313

Schedules

Forming Part of the Accounts

(Amount in Rupees)

	As at 31.03.2011	As at 31.03.2010
18. Nil (Previous Year 2,935,153.43) units of Rs 10 each of Canara Robeco Treasury Advantage Super IP Daily Dividend Reinvestment	-	36,416,742
19. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of DSP Black Rock FMP - 12 Months - Series 10 Growth	50,000,000	-
20. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of DSP Black Rock FMP 3M Series 27 Dividend Payout	50,000,000	-
21. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of DSP Black Rock FMP 3M Series 30 Dividend Payout	50,000,000	-
22. Nil (Previous Year 19,049,027.69) units of Rs 10 each of DWS Cash Opportunities Fund-Institutional plan Daily Dividend	-	190,890,889
23. 5,217,742.36 (Previous Year Nil) units of Rs 10 each of DWS Moneyplus Fund Institutional Daily Dividend Plan Reinvest	52,589,625	-
24. 10,462,332.65 (Previous Year 9,990,798.45) units of Rs 10 each of DWS Short Maturity Fund-Institutional Weekly Dividend Plan - Reinvest	109,245,026	104,059,161
25. Nil (Previous Year 4,993,454.27) units of Rs 10 each of DWS Treasury Fund Investment-Institutional Plan Daily Dividend - Reinvest	-	50,142,770
26. 5,063,341.12 (Previous Year Nil) units of Rs 10 each of DWS Treasury Fund Investment-Institutional Plan Monthly Dividend - Reinvest	50,634,979	-
27. 16,390,555.28 (Previous Year 16,390,555.28) units of Rs 10 each of EDIID ICICI Prudential Equity & Derivatives Fund-Income Optimiser-Institutional Dividend .	173,729,527	172,100,830
28. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Fidelity FMP - Series 4 - Plan E - Growth	50,000,000	-
29. 2,000,000.00 (Previous Year Nil) units of Rs 10 each of Fidelity FMP - Series 5 - Plan B - Dividend	20,000,000	-
30. 2,608,625.56 (Previous Year Nil) units of Rs 10 each of Fidelity FMP Series 5 - Plan E- Growth	26,086,256	-
31. 35,005,103.99 (Previous Year Nil) units of Rs 10 each of Fidelity short term income fund Dividend	350,051,040	-
32. Nil (Previous Year 18,954,249.32) units of Rs 10 each of Fortis Money Plus-Institutional Plan Daily Dividend	-	189,601,251
33. 12,195,808.58 (Previous Year 11,165,125.97) units of Rs 10 each of HDFC Arbitrage Fund-Wholesale Plan-Quarterly Dividend. Option: Reinvest	122,248,503	111,654,117
34. Nil (Previous Year 1,310,907.92) units of Rs 10 each of HDFC Cash Management Fund-Treasury Advantage Plan-Wholesale Daily Dividend option Reinvest	-	13,150,373
35. Nil (Previous Year 20,000,000.00) units of Rs 10 each of HDFC FMP 13M October 2009 - Growth - Series XI	-	200,000,000
36. Nil (Previous Year 10,000,000.00) units of Rs 10 each of HDFC Quarterly Interval Fund-Plan C - Wholesale Dividend payout	-	100,000,000
37. 4,532,578.55 (Previous Year 10,258,853.42) units of Rs 10 each of HSBC Floating Rate - Long Term Plan-Institutional Option-Weekly Dividend	50,970,193	115,115,870
38. 10,770,516.75 (Previous Year 10,247,115.43) units of Rs 10 each of HSBC Income Fund-Short Term Institutional Plus-Weekly Dividend	108,586,385	103,042,943
39. Nil (Previous Year 338,057.67) units of Rs 100 each of ICICI Pru Flexible Income Premium Plan-Daily Dividend Reinvestment	-	35,744,527
40. 30,402,726.50 (Previous Year Nil) units of Rs 10 each of ICICI Prudential Banking and PSU Debt Fund Premium Plus Daily Dividend	306,103,947	-
41. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of ICICI Prudential FMP Series 55 - 1 year Plan C Cumulative	50,000,000	-
42. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of ICICI Prudential Interval Fund Quarterly Interval Plan I Institutional Dividend	50,000,000	-
43. 4,977,050.09 (Previous Year Nil) units of Rs 10 each of ICICI Prudential Regular Savings Fund Growth	50,000,000	-

Schedules
Forming Part of the Accounts

(Amount in Rupees)

	As at 31.03.2011	As at 31.03.2010
44. Nil (Previous Year 10,026,539.13) units of Rs 10 each of ICICI Prudential Ultra Short Term Plan - Premium Plus Daily Dividend Reinvestment	-	100,475,949
45. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of IDBI FMP - 367 Days Series I (March 11) - C - Growth	50,000,000	-
46. 5,090,187.74 (Previous Year Nil) units of Rs 10 each of IDBI Ultra Short Term Fund - Daily Dividend - Reinvest	50,901,877	-
47. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of IDFC Fixed Maturity Plan Yearly Series 37 - Growth	50,000,000	-
48. 10,150,732.69 (Previous Year Nil) units of Rs 10 each of IDFC FMP Half Yearly Series - 12 Dividend	101,507,327	-
49. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of IDFC FMP Yearly Series - 41 Growth	50,000,000	-
50. Nil (Previous Year 30,547,155.74) units of Rs 10 each of IDFC Money Manager Fund-Investment Plan-Inst Plan B Daily Dividend Reinvestment	-	305,929,765
51. 13,184,131.37 (Previous Year 46,330,071.20) units of Rs 10 each of JM - Arbitrage Advantage Fund - Dividend Plan (159)	134,229,878	467,419,455
52. 4,466,546.49 (Previous Year 23,838,036.87) units of Rs 10 each of JM Money Manager Fund Super Plus Plan - Daily Dividend (171)	44,684,333	238,484,747
53. Nil (Previous Year 1,008,613.21) units of Rs 10 each of JP Morgan India Treasury Fund - Super Inst Daily Dividend Plan Reinvest	-	10,095,109
54. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Kotak Credit Opp Fund Growth	50,000,000	-
55. Nil (Previous Year 32,520,153.87) units of Rs 10 each of Kotak Flexi Debt Scheme - Institutional - Daily Dividend	-	326,746,246
56. Nil (Previous Year 557,006.09) units of Rs 10 each of Kotak Floater-Long term - Daily Dividend Reinvestment	-	5,614,510
57. Nil (Previous Year 5,000,000.00) units of Rs 10 each of Kotak FMP 13M Series 5 - Growth	-	50,000,000
58. 5,000,000.00 (Previous Year 5,000,000.00) units of Rs 10 each of Kotak FMP 370 days Series 2 - Growth	50,000,000	50,000,000
59. 5,001,523.00 (Previous Year Nil) units of Rs 10 each of Kotak FMP Series - 28 Growth	50,015,230	-
60. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Kotak FMP - Series 29 - Growth	50,000,000	-
61. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Kotak FMP - Series 37 - Growth	50,000,000	-
62. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Kotak FMP Series 40 Growth	50,000,000	-
63. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Kotak Quarterly Interval Plan Series 10 - Dividend	50,000,000	-
64. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Kotak Quarterly Interval Plan Series 4 - Dividend	50,000,000	-
65. 9,999,800.01 (Previous Year Nil) units of Rs 10 each of Kotak Quarterly Interval Plan Series 8 - Dividend	100,000,000	-
66. Nil (Previous Year 10,000,000.00) units of Rs 10 each of Kotak Quarterly interval Plan - Series 6 - Dividend	-	100,000,000
67. 10,001,555.55 (Previous Year Nil) units of Rs 10 each of Kotak Quarterly Interval Plan Series 7 - Dividend	100,020,522	-
68. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of L&T FMP-III (February 90D-A) - Dividend Payout	50,000,000	-
69. Nil (Previous Year 5,954,773.62) units of Rs 10 each of L&T Freedom Income STP Inst-Daily Dividend Reinvestment Plan	-	60,471,917
70. 4,607,517.35 (Previous Year 10,160,464.75) units of Rs 10 each of L&T Select Income Fund-Flexi Debt Institutional - Dividend	46,242,820	101,742,555
71. Nil (Previous Year 89,510,975.51) units of Rs 10 each of LIC Mutual Fund Savings Plus Daily Dividend Plan	-	895,109,755
72. Nil (Previous Year 4,982,669.74) units of Rs 10 each of Morgan Stanley Short Term Bond Fund-Institutional Plus-Weekly Dividend	-	50,038,922

Schedules

Forming Part of the Accounts

(Amount in Rupees)

	As at 31.03.2011	As at 31.03.2010
73. 1,923,454.08 (Previous Year Nil) units of Rs 10 each of Peerless Liquid Fund-Super Institutional Daily Dividend	19,237,426	-
74. 73,411.28 (Previous Year Nil) units of Rs 1000 each of Pramerica Ultra Short Term Bond Fund Daily Dividend Option Reinvestment	73,419,052	-
75. Nil (Previous Year 9,982,511.74) units of Rs 10 each of Principal Money Manager Fund-Institutional Dividend Reinvest Daily	-	100,071,685
76. Nil (Previous Year 5,000,000.00) units of Rs 10 each of Principal PNB Fixed Maturity Plan 385 Days-Series XI - March 09 -Institutional Growth Plan	-	50,000,000
77. 15,000,000.00 (Previous Year Nil) units of Rs 10 each of Principal PNB Fixed Maturity Plan (FMP 69) 91 Days-Series XXVIII - Regular Dividend Payout - Feb11	150,000,000	-
78. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Reliance Fixed Horizon Fund XIX Series 8 - Growth plan	50,000,000	-
79. 9,028,500.13 (Previous Year Nil) units of Rs 10 each of Reliance Fixed Horizon Fund XVI Series 3 Growth Plan	90,285,001	-
80. Nil (Previous Year 10,000,000.00) units of Rs 10 each of Reliance Fixed Horizon Fund-XII - Series 3 - Super Institutional Plan - Growth	-	100,000,000
81. 5,001,005.59 (Previous Year Nil) units of Rs 10 each of Reliance Fixed Horizon Fund-XIX - Series 9 - Growth Plan	50,010,556	-
82. Nil (Previous Year 664,004.84) units of Rs 10 each of Reliance Medium Term Fund-Daily Dividend Reinvestment	-	11,351,495
83. Nil (Previous Year 168,076.40) units of Rs 1000 each of Reliance Money Manager Fund-Institutional Option - Daily Dividend Reinvestment	-	168,267,408
84. 4,999,150.08 (Previous Year Nil) units of Rs 10 each of Reliance Monthly Interval Fund Series I Institutional Dividend Plan	50,003,999	-
85. 10,445,630.60 (Previous Year Nil) units of Rs 10 each of Reliance Quarterly Interval Fund Series III Institutional Dividend Plan	104,494,527	-
86. 4,997,850.92 (Previous Year Nil) units of Rs 10 each of Reliance Quarterly Interval Fund Series II - Institutional Dividend Plan	50,000,000	-
87. 14,204,752.17 (Previous Year 6,557,387.46) units of Rs 10 each of Reliance Regular Savings Fund - Debt Plan-Instituitional Growth Plan	180,004,674	80,004,674
88. 20,371,960.86 (Previous Year 19,530,791.12) units of Rs 10 each of Reliance Short Term Fund- Retail Plan-Dividend Plan	217,110,098	207,928,708
89. 10,482,393.85 (Previous Year 5,024,612.27) units of Rs 10 each of Religare Active Income Fund-Institutional - Monthly Dividend	105,054,656	50,246,237
90. Nil (Previous Year 10,278,509.14) units of Rs 10 each of Religare Arbitrage Fund-Dividend	-	103,308,268
91. 5,309,078.63 (Previous Year 41,138,077.52) units of Rs 10 each of Religare Credit Opportunities Fund Institutional - Monthly Dividend	53,877,592	412,796,400
92. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Religare Fixed Maturity Plan-Series III Plan A (12 Months) Growth Plan	50,000,000	-
93. 10,000,000.00 (Previous Year Nil) units of Rs 10 each of Religare Fixed Maturity Plan-Series IV Plan B (6 Months) Dividend	100,000,000	-
94. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Religare Fixed Maturity Plan-Series IV Plan F Growth Plan	50,000,000	-
95. 10,000,000.00 (Previous Year Nil) units of Rs 10 each of Religare Fixed Maturity Plan-Series V Plan F (91 days) Dividend Plan	100,000,000	-
96. 10,000,000.00 (Previous Year Nil) units of Rs 10 each of Religare Fixed Maturity Plan-series IV - Plan E (370 days) Growth Plan	100,000,000	-
97. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Religare Fixed Maturity Plan-Series VI - Plan B (370 days) Growth Plan	50,000,000	-

Schedules

Forming Part of the Accounts

(Amount in Rupees)

	As at 31.03.2011	As at 31.03.2010
98. 15,272,069.41 (Previous Year Nil) units of Rs 10 each of Religare Medium Term Bond Fund Monthly Dividend	152,724,377	-
99. 9,988.41 (Previous Year 2,916,757.70) units of Rs 1000 (Previous Year Rs 10) each of Religare Ultra Short Term Fund-Institutional Daily Dividend	10,005,543	29,213,370
100. Nil (Previous Year 10,000,000.00) units of Rs 10 each of Religare Yearly FMP Series I-Plan A (375 days) - Inst. Growth	-	100,000,000
101. Nil (Previous Year 23,345,103.63) units of Rs 10 each of SBI Arbitrage Opportunities Fund - Dividend	-	255,756,267
102. 10,084,077.00 (Previous Year Nil) units of Rs 10 each of SBI Debt Fund Series 180 days - 13 - Dividend	100,840,770	-
103. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of SBI Debt Fund Series 90 days - 38 Dividend	50,000,000	-
104. Nil (Previous Year 2,004,643.73) units of Rs 10 each of SBI-SHF- Ultra Short Term Fund - Institutional Plan - Daily Dividend	-	20,058,465
105. 10,000,000.00 (Previous Year Nil) units of Rs 10 each of Sundaram Fixed Term Plan AQ 367 days Growth	100,000,000	-
106. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Sundaram Fixed Term Plan - AX -366 days - Growth	50,000,000	-
107. 5,000,000.00 (Previous Year 5,000,000.00) units of Rs 10 each of Sundaram FTP 18 Months Series Y - Growth	50,000,000	50,000,000
108. Nil (Previous Year 10,000,000.00) units of Rs 10 each of Sundaram FTP 367 Days-Series 8 - Growth	-	100,000,000
109. 5,227,822.62 (Previous Year Nil) units of Rs 10 each of Sundaram Interval Fund Qtly Plan A Inst Div	52,278,226	-
110. 5,223,636.89 (Previous Year Nil) units of Rs 10 each of Sundaram Interval Fund Qly - Plan D Inst Dividend	52,236,369	-
111. 4,764,854.43 (Previous Year Nil) units of Rs 10 each of Tata Dynamic Bond Fund Option B Dividend	50,000,000	-
112. 5,126,747.93 (Previous Year Nil) units of Rs 10 each of Tata Fixed Income Portfolio Fund Scheme A2 -Regular Monthly Dividend Reinvest	51,907,997	-
113. 5,326,780.22 (Previous Year Nil) units of Rs 10 each of Tata Fixed Income Portfolio Fund Scheme A3 - Institutional I	53,267,802	-
114. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Tata Fixed Maturity Plan Series 29 - Scheme B - Growth	50,000,000	-
115. 5,000,000.00 (Previous Year Nil) units of Rs 10 each of Tata Fixed Maturity Plan Series 31 Scheme B Growth	50,000,000	-
116. 3,546,212.28 (Previous Year Nil) units of Rs 10 each of Tata Floater Fund Daily Dividend	35,588,368	-
117. 5,000,000.00 (Previous Year 5,000,000.00) units of Rs 10 each of Taurus Fixed Maturity Plan - 15 Months - Series 1 - Institutional Growth Plan	50,000,000	50,000,000
118. 4,867,899.00 (Previous Year Nil) units of Rs 10 each of Taurus Fixed Maturity Plan - 370 days Series D Growth Plan	48,678,990	-
119. Nil (Previous Year 200,020.08) units of Rs 1000 each of Taurus Ultra Short Term Bond Fund Super Insti Daily Dividend Plan	-	200,290,111
120. 33,285,649.59 (Previous Year 5,000,000.00) units of Rs 10 each of Templeton India Income Opportunities Fund - Growth	350,000,000	50,000,000
121. Nil (Previous Year 2,339,029.21) units of Rs 10 each of Templeton India Ultra Short Bond-Super Institutional Plan-Daily Dividend Reinvestment	-	23,417,425
122. 10,445,583.73 (Previous Year 5,000,431.32) units of Rs 10 each of UTI - Fixed Income Interval Fund - Monthly interval plan-II Institutional Dividend Plan - Reinvestment	104,455,886	50,004,313
123. Nil (Previous Year 5,028,574.04) units of Rs 10 each of UTI Fixed Income Interval Fund Series II - Quarterly Interval Plan-V Institutional Dividend Plan	-	50,285,749
124. 5,482,694.44 (Previous Year Nil) units of Rs 10 each of UTI Fixed Income Interval Fund - Series II Quarterly Interval Plan-VI Institutional Dividend Plan	54,826,954	-

Schedules

Forming Part of the Accounts

(Amount in Rupees)

		As at 31.03.2011	As at 31.03.2010
125. 10,000,000.00 (Previous Year Nil) units of Rs 10 each of UTI Fixed Income Interval Fund-Series II - Quarterly Interval Plan-IV-Institutional Dividend Plan	100,000,000		-
126. Nil (Previous Year 35,667,957.09) units of Rs 10 each of UTI Spread Fund-Dividend Plan-Reinvestment	-		400,044,673
127. 102,707.15 (Previous Year Nil) units of Rs 1000 each of UTI Treasury Advantage Fund Institutional Plan - (Daily Dividend Option) Re-investment	102,729,143		-
In units of mutual funds (Unquoted):		7,548,917,624	8,003,709,753
Total Current Investment		7,580,973,940	8,035,970,122
Application money paid for Mutual Fund Units		102,204,445	-
Share application money paid		490,000	-
TOTAL		18,607,077,469	20,019,479,908
Notes:			
1) Aggregate carrying value of quoted current Investments (net of diminution)	10,904,988		14,260,369
2) Aggregate carrying value of quoted Long Term Investments	200,520,000		200,520,000
		211,424,988	214,780,369
3) Market value of quoted Investments		224,724,988	231,960,369
4) Aggregate value of unquoted Investments (net of other than temporary diminution)		18,395,652,481	19,804,699,539
5) Purchased and sold during the year			

Investments in Mutual Funds

(Amount in Rupees)

Name of the Scheme	Face Value	No of Units	Cost
AIG India Liquid Fund - Super Institutional Daily Dividend	1000	23,380	23,403,443
AIG Quarterly Interval Fund Series 1 Institutional Dividend	1000	50,006	50,005,801
AIG Quarterly Interval Fund Series II Institutional Dividend	1000	49,867	50,000,000
Axis Liquid Fund-Institutional Plan Daily Dividend Reinvestment	1000	40,009	40,009,947
Axis Treasury Advantage Fund - Institutional Plan Daily Dividend Reinvestment	1000	41,163	41,162,720
Baroda Pioneer Liquid Fund - Institutional Daily Dividend Plan	10	87,956,423	880,118,353
Baroda Pioneer Treasury Advantage Fund Institutional Daily Dividend Plan	10	113,816,848	1,139,204,216
Bharti AXA Liquid Fund - Super Institutional Plan - Daily Dividend	1000	130,036	130,036,009
Bharti AXA Short Term Income Fund Institutional Plan Weekly Dividend Reinvest	10	10,254,296	102,629,328
Bharti AXA Treasury Advantage Fund - Institutional Plan - Daily Dividend	1000	102,988	102,987,567
Birla Sun Life Cash Manager IP - Daily Dividend - Reinvestment	10	29,655,024	296,639,210
Birla Sun Life Cash Plus-Instl Prem. - Daily Dividend - Reinvestment.	10	190,660,699	1,910,324,870
Birla Sun Life Savings Fund - Instl. Daily Dividend - Reinvestment	10	108,620,604	1,086,944,655
Birla Sun Life Short Term Opportunities Fund Instl. Weekly Dividend	10	13,927,884	139,399,070
Birla Sun Life Ultra Short Term Fund Institutional Daily Dividend	10	15,222,237	152,306,089
Birla Sun Life Short Term Opportunities Fund-Instl-Weekly Dividend	10	15,331,052	153,396,066
BNP Paribas Fixed Term Fund - Series 17 D Dividend Payout	10	5,000,000	50,000,000
BSL Floating Rate Fund - LTP-Inst. Weekly Dividend Reinvestment	10	15,795,738	158,061,568
BSL Quarterly Interval Fund Series 4-Dividend	10	10,000,000	100,000,000
Canara Robeco Treasury Advantage Super IP Daily Dividend Reinvestment	10	30,660	380,397
DSP Black Rock FMP - 3 Months - Series 18 Dividend Payout	10	5,000,000	50,000,000
DSP Black Rock FMP - 3 Months - Series 23 Dividend Payout	10	5,000,000	50,000,000
DSP Black Rock FMP 3M Series 21 Dividend Payout	10	5,000,000	50,000,000
DSP Black Rock FMP 3M Series 24 Dividend Payout	10	5,000,000	50,000,000
DSP Black Rock Liquidity Fund Institutional Plan Daily Dividend Reinvestment	1000	99,981	100,012,769
DWS Cash Opportunities Fund-Institutional Plan Daily Dividend	10	40,837,071	409,363,050
DWS Insta Cash Fund Super Institutional Plan Daily Dividend	10	39,883,153	400,043,983
DWS Moneyplus Fund Institutional Daily Dividend Plan Reinvest	10	4,960,810	50,000,000
DWS Treasury Fund Investment - Instl Plan Daily Dividend - Reinvest	10	101,967	1,023,918

Financials

Schedules

Forming Part of the Accounts

(Amount in Rupees)

Name of the Scheme	Face Value	No of Units	Cost
Fidelity Cash Fund Super Inst - Daily Dividend Reinvestment	10	53,756,922	550,094,584
Fidelity Ultra Short Term Debt Fund Super IP Daily Dividend Reinvestment	10	19,099,076	191,086,256
Fortis Money Plus-Institutional Plan Daily Dividend	10	240,571	2,406,569
Fortis Overnight Fund - Institutional Plus - Daily Dividend Reinvestment	10	1,000,612	10,009,121
HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment	10	4,703,225	50,025,387
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale Daily Dividend Option Reinvest	10	31,575,059	316,745,199
HDFC FMP 90D June 2010 Dividend - Series XIII: Dividend Payout	10	5,000,000	50,000,000
HSBC Floating Rate - Long Term Plan - Institutional Option - Weekly Dividend	10	156,190	1,753,955
ICICI Pru Flexible Income Premium Plan-Daily Dividend Reinvestment	100	3,639	384,802
ICICI Prudential - Blended Plan B - Institutional Daily Dividend - Option II	10	10,425,333	104,255,299
ICICI Prudential - Blended Plan B - Institutional Dividend - Option II	10	9,791,317	101,413,159
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend	100	5,450,750	545,196,715
ICICI Prudential Banking and PSU Debt Fund Premium Plus Daily Dividend	10	4,964,504	49,910,380
ICICI Prudential Floating Rate Fund Plan D Daily Dividend Reinvestment	100	1,509,389	150,973,619
ICICI Prudential Interval Fund II Quarterly Interval Plan C Institutional Dividend	10	9,999,700	100,000,000
ICICI Prudential Interval Fund Quarterly Interval Plan I Institutional Dividend	10	5,000,000	50,000,000
ICICI Prudential Ultra Short Term Plan-Premium Plus Daily Dividend Reinvestment	10	17,009,382	170,451,031
ICICI Prudential Ultra Short Term Plan - Super Premium Daily Dividend	10	39,905,335	399,933,282
IDBI Ultra Short Term Fund - Daily Dividend - Reinvest	10	26,297,839	262,978,390
IDFC Cash Fund - Inst.Plan B - Daily Dividend Reinvestment	10	4,014,587	42,503,639
IDFC Cash Fund - Super Inst.Plan C - Daily Dividend	10	23,496,391	235,022,646
IDFC Fixed Maturity Quarterly Series 59 Dividend Payout	10	10,000,000	100,000,000
IDFC Money Manager Fund - TP - Super Inst Plan C Daily Dividend Reinvestment	10	10,039,309	100,408,149
IDFC Money Manager Fund - Investment Plan - Inst Plan B Daily Dividend	10	4,885,720	49,173,023
IDFC Savings Advantage Fund Plan A Daily Dividend	1000	238,583	238,632,961
IDFC Ultra Short Term Fund Monthly Dividend	10	10,086,682	101,322,814
JM High Liquidity Fund-Super Institutional Plan Daily Dividend (92)	10	3,494,685	35,004,512
JM Money Manager Fund Super Plus Plan - Daily Dividend (171)	10	42,169,268	421,916,180
JP Morgan India Liquid Fund - Super Inst.Daily Dividend Plan Reinvest	10	28,983,107	290,060,038
JP Morgan India Treasury Fund - Super Inst.Daily Dividend Plan Reinvest	10	24,276,080	242,976,859
Kotak Flexi Debt Scheme Institutional - Daily Dividend	10	6,321,826	63,518,547
Kotak Floater - Long Term - Daily Dividend Reinvestment	10	28,406,963	286,336,501
Kotak Liquid (Institutional Premium) Daily Dividend Reinvestment	10	17,176,586	210,037,015
Kotak Quarterly Interval Plan Series 4 - Dividend	10	5,000,000	50,000,000
Kotak Quarterly Interval Plan Series 7 - Dividend	10	4,999,784	50,000,320
L&T FMP-I (June 91D-A) - Dividend Payout	10	5,000,000	50,000,000
L&T FMP-I (September 91D-A) - Dividend Payout	10	5,000,000	50,000,000
L&T FMP-II (December 91D-A) - Dividend Payout	10	5,000,000	50,000,000
L&T Freedom Income STP Inst - Daily Dividend Reinvestment Plan	10	4,982,850	50,601,833
L&T Liquid Inst. Daily Dividend Reinvestment Plan	10	9,885,861	100,008,340
L&T Select Income Fund - Flexi Debt Institutional - Dividend	10	745,854	7,513,016
LIC MF Income Plus Fund - Daily Dividend Plan	10	25,058,990	250,589,900
LIC Mutual Fund Savings Plus Daily Dividend Plan	10	76,198,422	761,984,215
LICMF Liquid Fund - Dividend Plan	10	209,736,852	2,302,931,606
Morgan Stanley Short Term Bond Fund - Institutional Plus-Weekly Dividend	10	38,993	391,549
Peerless Liquid Fund - Super Institutional Daily Dividend	10	82,118,461	821,275,168
Peerless Ultra Short Term Fund Super IP Daily Dividend Reinvestment	10	17,052,128	170,534,925
Pramerica Ultra Short Term Bond Fund Daily Dividend Option Reinvestment	1000	284,979	284,983,875
Principal Floating Rate Fund FMP - Instl Option Dividend Reinvestment Daily	10	5,474,556	54,812,893
Principal Money Manager Fund-Institutional Dividend Reinvest Daily	10	31,813	318,912
Principal PNB Fixed Maturity Plan 91 Days - Series XXVI - Dividend Plan	10	15,000,000	150,000,000
Reliance Fixed Horizon Fund - XV Series 1 Dividend Payout	10	5,000,000	50,000,000
Reliance Liquidity Fund-Daily Dividend Reinvestment Option	10	55,478,594	555,058,880
Reliance Medium Term Fund-Daily Dividend Plan	10	7,482	127,903
Reliance Money Manager Fund - Institutional Option - Daily Dividend Reinvestment	1000	663,517	664,427,458
Reliance Monthly Interval Fund Series I Institutional Dividend Plan Payout	10	4,998,351	49,996,001

Schedules

Forming Part of the Accounts

(Amount in Rupees)

Name of the Scheme	Face Value	No of Units	Cost
Reliance Monthly Interval Fund Series II Institutional Dividend Plan	10	14,167,989	141,727,190
Religare Active Income Fund - Institutional - Monthly Dividend	10	10,401,842	104,050,495
Religare Arbitrage Fund - Dividend.	10	183,288	1,850,132
Religare Credit Opportunities Fund Institutional - Monthly Dividend	10	16,897,302	169,435,240
Religare Fixed Maturity Plan - Series IV Plan C (3 Months) Dividend	10	10,000,000	100,000,000
Religare Liquid Fund - Institutional Daily Dividend	10	4,999,476	50,005,761
Religare Liquid Fund - Super Institutional - Daily Dividend	10	11,993,714	120,030,693
Religare Overnight Fund Daily Dividend Reinvestment	10	20,022,648	200,226,484
Religare Ultra Short Term Fund-Institutional Daily Dividend	10	28,167,383	440,798,534
SBI Arbitrage Opportunities Fund - Dividend	10	213,020	2,334,510
SBI Debt Fund Series 90 days - 35 Dividend	10	5,000,000	50,000,000
SBI Magnum Insta Cash Fund-Daily Dividend Option	10	28,963,738	485,151,307
SBI-SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend	10	64,680,001	647,188,087
Sundaram Money Fund Super Inst. Daily Dividend Reinvestment	10	48,550,316	490,130,007
Sundaram Ultra ST Fund Super Institutional Daily Dividend Reinvestment	10	81,118,285	814,184,223
Tata Fixed Income Portfolio Fund Scheme A3 - Institutional I	10	5,000,000	50,000,000
Tata Floater Fund Daily Dividend	10	1,494,679	15,000,000
Tata Liquid Super High Investment Fund (SHIP) - Daily Dividend Reinvestment	1000	134,603	150,017,693
Taurus Liquid Fund Super Institutional Daily Dividend Reinvestment	1000	391,706	391,717,691
Taurus Ultra Short Term Bond Fund Super Insti Daily Dividend Plan	1000	393,101	393,763,402
Templeton India Treasury Management Account - Super Institutional Plan - Daily Dividend Reinvestment	1000	1,769,006	1,770,196,719
Templeton India Ultra Short Bond Fund - Super Institutional Plan - Daily Dividend Reinvestment	10	85,385,083	854,841,292
UTI - Fixed Income Interval Fund - Monthly Interval plan-II Institutional Dividend Plan - Reinvestment	10	21,616	216,155
UTI Fixed Income Interval Fund - Monthly Interval Plan Series-I Institutional Dividend Plan - Payout	10	5,000,000	50,000,000
UTI Fixed Income Interval Fund - Quarterly Interval Plan Series 1 Institutional Dividend Reinvest	10	5,239,499	52,394,992
UTI Fixed Income Interval Fund Quarterly Interval Plan-V Institutional Dividend Plan	10	27,747	277,478
UTI Fixed Income Interval Fund - Series II Quarterly Interval Plan-VI Institutional Dividend Plan	10	5,000,000	50,000,009
UTI Liquid Cash Plan Institutional-Daily Income Option Daily Dividend Reinvestment	1000	451,283	460,058,222
UTI-Spread Fund-Dividend Plan-Reinvestment	10	1,935,601	21,400,774
UTI Treasury Advantage Fund Institutional Plan-Daily Dividend Option Re-investment	1000	899,062	899,254,845

Financials

Schedules
Forming Part of the Accounts

(Amount in Rupees)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 5: SUNDRY DEBTORS (UNSECURED)			
Debts outstanding for a period exceeding six months	51,417,640		40,250,216
Other debts	317,251,825		601,833,398
		368,669,465	642,083,614
Less: Provision		42,614,030	37,818,924
TOTAL		326,055,435	604,264,690
Note: Sundry Debtors include			
Considered good		326,055,435	604,264,690
Considered doubtful		42,614,030	37,818,924
		368,669,465	642,083,614
SCHEDULE 6: CASH AND BANK BALANCES			
Cheques on hand		106,621,143	-
Bank balances:			
a) With scheduled banks: (Refer note 15(c) to Schedule 15-II for unutilized money out of FCCB issues)			
i) In current accounts [including in Exchange Earners Foreign Currency account Rs 281,120,828 (Previous Year Rs 158,380,819)]		410,494,010	329,566,186
ii) In deposit accounts*		954,543,461	1,753,110,552
b) With others:			
i) with PNC Bank - New Jersey Branch in current account [Maximum amount outstanding at any time during the year Rs 8,323,768 (Previous Year Rs 6,657,813)]		68,234	1,879,140
ii) with PNC Bank - New Jersey Branch in deposit account [Maximum amount outstanding at any time during the year Rs 7,970,612 (Previous Year Rs 7,842,800)]		3,982,454	6,365,851
*Includes Rs 24,748,150 (Previous Year: Rs 156,851,323) under lien with bank against bank Guarantee			
TOTAL		1,475,709,302	2,090,921,729
SCHEDULE 7: OTHER CURRENT ASSETS			
Interest Accrued on bank fixed deposits		49,223,098	36,406,009
Interest Accrued on investments		16,877,398	2,895,763
Dividend Accrued on investments		3,696,034	-
TOTAL		69,796,530	39,301,772
SCHEDULE 8: LOANS AND ADVANCES (UNSECURED)			
Loans and advances to subsidiary companies	1,071,151,779		811,767,786
Advances recoverable in cash or kind or for value to be received	223,512,071		198,765,820
Advance income tax including tax deducted at source (net)	1,495,019,487		419,766,930
Premises and other deposits	97,332,780		187,685,423
Less:		2,887,016,117	1,617,985,959
Provision		161,378	7,108,628
TOTAL		2,886,854,739	1,610,877,331
Notes:			
1. Loans and Advances include:			
a) Considered good		2,886,854,739	1,610,877,331
b) Considered doubtful		161,378	7,108,628
		2,887,016,117	1,617,985,959

Schedules
Forming Part of the Accounts

(Amount in Rupees)

		As at 31.03.2011	As at 31.03.2010
2. Rs 90,893,811 (Previous Year Rs 183,822,041) paid as deposits towards premises taken on lease.			
3. Balance due from an officer of the Company [Maximum amount outstanding at any time during the year Rs 1,456,302 (Previous Year: Rs 1,126,302)]		1,041,031	1,126,302
4. Balance with Excise department		109,563	113,547
SCHEDULE 9: CURRENT LIABILITIES			
Sundry creditors#			
- Total outstanding dues to micro and small enterprises	-		-
- Total outstanding dues of creditors other than micro and small enterprises	420,702,911		614,541,887
		420,702,911	614,541,887
Subsidiary Companies*		90,014,640	36,193,383
Unclaimed dividend**		6,386,494	5,498,902
Unearned revenue		282,449,853	249,550,003
Other liabilities		64,892,096	43,245,021
TOTAL		**864,445,994**	**949,029,196**

#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

*Represents rent deposits, advance against services and reimbursement of expenses

**No amount due and outstanding to be credited to Investor Education and Protection Fund.

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 10: PROVISIONS		
For taxation (including wealth tax) (net)	13,675,619	4,310,705
For employee benefits		
- Compensated absences	71,902,226	62,709,844
- Gratuity (Refer Note 16 to Schedule 15-II)	18,184,666	21,444,165
For premium on redemption of ZCCBs (Refer Note 15(b) to Schedule 15-II)	1,769,909,134	1,316,829,040
Proposed dividend (including tax)	107,107,255	107,819,169
TOTAL	**1,980,778,900**	**1,513,112,923**

Financials

Schedules

Forming Part of the Accounts

(Amount in Rupees)

		Current Year	Previous Year
SCHEDULE 11: SALES			
Products (IPR Based-License)		913,490,255	887,189,577
Services (Project Based)		2,344,163,157	2,156,318,809
Sale of Goods (Trading)		51,243,526	65,769,621
TOTAL		3,308,896,938	3,109,278,007
SCHEDULE 12: OTHER INCOME			
Dividend from investments			
- Long Term - (trade)	72,976,465		69,303,965
- Current investments (other than trade)	375,680,915		300,657,662
		448,657,380	369,961,627
Interest			
From bank on deposit accounts		69,363,240	186,671,978
From Investments		28,669,212	11,723,459
From others		66,952,895	30,329,637
Tax deducted at source Rs 8,179,150 (Previous Year: Rs 42,145,863)			
Business Support services		195,840,000	195,840,000
IT Infrastructure sharing income		21,334,543	20,144,081
Profit on sale of fixed assets (net)		-	30,765,343
Profit on sale of investments (net)			
- Long term investments (trade) (Refer Note 12 to Schedule 15-II)	619,453,912		2,368,281,250
- Current investments (Other than trade)	74,075,843		149,105,467
		693,529,755	2,517,386,717
Reversal of write down in value of current investments (net)		5,036,866	-
Exchange rate fluctuations (net)		61,692,309	-
Miscellaneous income (Refer Note 8(b) to Schedule 15-II)		97,540,076	49,088,201
TOTAL		1,688,616,276	3,411,911,043

Schedules

Forming Part of the Accounts

(Amount in Rupees)

		Current Year	Previous Year
SCHEDULE 13: OPERATING AND OTHER EXPENSES*			
Payment to and provisions for employees:			
Salaries and bonus	1,086,298,745		843,020,954
Contribution to provident fund and other funds	31,367,098		34,048,682
Gratuity	14,573,175		14,966,224
Staff welfare expenses	21,792,756		8,304,915
		1,154,031,774	900,340,775
Electricity		29,862,109	35,132,280
Brokerage and commission charges		10,059,978	27,417,047
Rent (Refer Note 8(a) to Schedule 15-II)		169,727,767	212,094,181
Rates and taxes		20,854,357	16,323,939
Service charges		24,999,890	26,089,501
Repairs and maintenance - buildings		53,706	-
Repairs and maintenance - others		15,239,148	9,223,305
Travelling and conveyance		20,043,468	22,575,726
Communication expenses		25,752,189	29,653,525
Insurance		2,305,141	1,534,536
Exchange rate fluctuations (net)		-	285,352,185
Write down in value of current investments		-	14,004,464
Provision for other than temporary diminution in value of long term investments		321,000,000	-
Loss on disposal/write off of fixed assets (net)		10,453,360	-
Legal and professional charges		168,087,104	91,638,271
Sponsorship Expenses		2,526,194	5,710,953
Membership and subscription fees		5,893,690	9,089,134
Bad debts/advances written off	25,129,150		1,631,942
Less: Provision held	6,947,250		-
		18,181,900	1,631,942
Provision for doubtful debts/advances		4,795,106	-
Donation		64,735,000	74,585,400
Miscellaneous expenses		166,308,919	142,203,705
TOTAL		2,234,910,800	1,904,600,869

*Net of recoveries on account of sharing of common expenses with group companies (Refer Note 11 to Schedule 15-II)

	Current Year	Previous Year
SCHEDULE 14: INTEREST		
Interest on:		
- Other than fixed loan {including delayed tax payment Rs 7,021,330 (Previous Year Rs 45,522)}	7,033,644	155,581
TOTAL	7,033,644	155,581

Financials

Significant Accounting Policies

and Notes to Accounts

SCHEDULE 15

I. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention in accordance with 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 recognized in the period in which the results are known/materialize.

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 recognized 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 amortization 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 recognized as expenses/income on a straight line basis over the lease term in accordance with the respective lease agreements.

F. Depreciation and Amortization

Depreciation and amortization is provided for on straight line basis and using the rates prescribed in Schedule XIV of 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. 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 recognized as profit or loss on sale of investments.

H. Revenue Recognition

Revenue is recognized when no significant uncertainty as to determination and realization exists. Sales include sale of products (licenses), services (contracts) and traded goods.

Revenue from sale of licenses for the use of software applications is recognized on delivery/granting of right to use.

Revenue from fixed price service contracts is recognized 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 recognized 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 recognized proportionately over the period in which the services are rendered/licenses are leased.

Revenue from sale of traded goods is recognized 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 amortized to the profit and loss account over the balance life of the long-term monetary item, however, period of amortization does not extend beyond March 31, 2011 (Refer Note 14 below).

Significant Accounting Policies
and Notes to Accounts

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

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. 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 balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become 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 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 recognized 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.

K. 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. 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. All other borrowing costs are charged to revenue.

L. Income Taxes

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax and wealth 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 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 recognised 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 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 realized.

M. 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 amortized uniformly over the vesting period of the options.

N. 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 Profit and Loss Account. 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 or recoverable amount.

O. Provisions, Contingent Liabilities and Contingent Assets

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. Contingent liabilities are not recognized but disclosed by way of notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

Significant Accounting Policies
and Notes to Accounts

II. NOTES FORMING PART OF ACCOUNTS

(Amount in Rupees)

	Current Year	Previous Year
1. Estimated amount of contracts to be executed on capital account and not provided for (net of advances)	137,115,526	348,172,348
2. Contingent liabilities not provided for in respect of:		
a) Guarantees given to third parties by the Company on behalf of its subsidiary companies.	7,537,725,000	280,936,640
b) Income tax demands against which the Company is in appeal (including adjustable against Securities Premium account Rs 194,103,143 (Previous Year Rs 194,103,143)).	234,854,107	260,382,158
c) MVAT, Service tax and excise dues contested by the Company. The Company is hopeful of positive outcome.	47,509,482	15,306,962
3. Payment to auditors (excluding service tax)		
a) For audit fees	3,000,000	2,500,000
b) For special purpose audit of interim accounts	1,040,000	1,700,000
c) For taxation matters	300,000	–
d) For other matters (certificates etc.)	1,235,000	720,000
e) For reimbursement of out of pocket expenses	1,360	8,042
TOTAL	**5,576,360**	**4,928,042**
4. i) Managerial remuneration under Section 198 of the Companies Act, 1956 paid or payable during the year		
a) Salaries and Allowances*	47,008,184	44,440,668
b) Perquisites	4,082,336	4,644,478
c) Provision for compensated absences	652,892	617,231
d) Commission to Managing Director	62,500,000	62,500,000
TOTAL	**114,243,412**	**112,202,377**

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

ii) The Company has also paid sitting fees of Rs 470,000 (Previous Year: Rs 290,000) to its non executive directors during the year.

iii) Computation of net profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956:

	Current Year	Previous Year
Net profit before tax	517,403,300	4,471,729,361
Add: Directors remuneration including Commission	114,243,412	112,202,377
Directors sitting fees	470,000	290,000
Exceptional item (Refer Note 13 to Schedule 15-II)	1,796,875,000	-
Write down in value of current investments	-	14,004,464
Provision for doubtful debts/advances	4,795,106	-
Provision for diminution in value of long term investments	321,000,000	-
	2,754,786,818	4,598,226,202
Less: Profit on sale of investments (net)	693,529,755	2,517,386,717
Profit on sale of fixed asset	24,811,853	-
Bad debts/advances written off against provision held	6,947,250	-
Reversal of write down in value of investments (net)	5,036,866	-
Net profit under Section 349 of the Companies Act, 1956	2,024,461,094	2,080,839,485
a) Eligible salaries, perquisites and commission @ 10% of above	202,446,109	208,083,949
b) Commission to Managing Director (As decided by Board of Directors)	62,500,000	62,500,000
c) Commission to Non whole time director (As decided by Board of Directors)	-	-

Significant Accounting Policies
and Notes to Accounts

5. Consequent to capital reduction and issue of warrants to the Company against its holding of equity shares of face value of Rs 562,460,000 in MCX Stock Exchange Limited (MCX-SX), in compliance with a Court sanctioned scheme in March, 2010, the Company, based on independent legal/tax counsel's opinion continues with its stand of no tax liability arising consequent to the same and therefore no tax liability has been determined or recognized in the financial statements.

   The Company has investments aggregating Rs 589,625,000 in equity shares and warrants of MCX-SX. At the close of the year, although the commercially viable business of MCX-SX is yet to commence and profitability yet to be achieved, MCX-SX has a positive Net Worth. The Company believes that the business of MCX-SX would be profitable when it receives SEBI's permission for its proposed activities of dealing in interest rate derivatives, equity, futures and options on equity and wholesale debt segments and all other segments which is pending. These investments are, in the opinion of the management, considered to be good and valuable, and not due for any provisioning.

6. **Stock based compensation:**

   a) Details of the options granted under stock option plan are as under:

Schemes	Grant Date	No. of Options Granted	Exercise Price	Vesting Period
ESOP 2005	October 31, 2005	440,000	981.60	31.10.2005 - 30.10.2006
			981.60	31.10.2005 - 30.10.2007
			981.60	31.10.2005 - 30.10.2008
			981.60	31.10.2005 - 30.10.2009
			981.60	31.10.2005 - 30.10.2010

Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of Rs 2 each. The intrinsic value of each option is nil, since the options were granted at the market price of the shares existing on the date of grant. The options have vesting periods as stated above in accordance with the vesting schedule as per the said plan and have an exercise period of three to twenty four months from the respective vesting dates subject to the maximum period of five (5) years from the date of grant of options i.e. upto October 30, 2010.

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

Particulars	ESOP 2005 (Nos.)
Options outstanding as at the beginning of the year	12,525 (207,425)
Options granted during the year	- (-)
Options exercised during the year	- (194,900)
Options lapsed/forfeited/cancelled during the year	12,525* (-)
Options outstanding as at the year-end	- (12,525)
Options exercisable as at the year-end	-* (12,525)

*-ESOP 2005 Scheme was valid for five years i.e. until October 31, 2010, hence all the Options outstanding at the beginning of the year shall stand lapsed & cancelled. (Previous Year's figures are given in brackets).

Lapsed options available for grant/re-issuance are: Nil (Previous Year 20,685).

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Significant Accounting Policies
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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 plan' been determined using the fair value approach, the Company's net profit for the year would have been lower by Rs 24,444,100 (Previous Year lower by Rs 30,833,206) and earnings per share would have been lower as indicated below:

(Amount in Rupees)

Particulars			Current Year	Previous Year
Net profit for the year			919,346,973	3,443,658,728
Less: Total stock-based employee compensation expense determined under fair value based method			24,444,100	30,833,206
Adjusted net profit for basic/diluted EPS			894,902,873	3,412,825,522
Weighted average no. of shares				
Basic			46,078,537	45,936,562
Add: Effect of dilutive options			-	3,940
Diluted			46,078,537	45,940,502
Basic and diluted earnings per share (face value Rs 2 per share)				
-	As reported (in Rs)	Basic	19.95	74.97
		Diluted	19.95	74.96
-	As Adjusted (in Rs)	Basic	19.42	74.29
		Diluted	19.42	74.29

The fair value of each option on the date of grant/modification is Rs 483.88/Rs 794.25 under ESOP Scheme 2005 using the Black-Scholes Option Pricing Formula, considering the following parameters:

Particulars	ESOP 2005
i) Expected volatility	64.48% to 86.41%
ii) Option life	3 years - 5 years
iii) Dividend yield	0.41%
iv) Risk-free interest rate	5.98% to 6.41%
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.	

7. The tax effect of timing differences that have resulted in deferred tax assets/liabilities are given below:

(Amount in Rupees)

Particulars	As at 31.03.2011	As at 31.03.2010
a) Deferred tax liability:		
Depreciation	99,945,500	64,725,938
Foreign exchange difference related to:		
Fixed Asset	-	3,525,660
Investments	90,551,376	69,820,733
	190,496,876	138,072,331
b) Deferred tax asset:		
Provision for doubtful debts, advances etc.	13,880,620	15,270,875
Diminution in the value of investments	930,394	13,506,372
Provision for Compensated absences and Gratuity	28,020,526	21,315,075
Tax effect on withholding Tax on ZCCB Premium adjusted against securities premium amount to be claimed in tax	27,510,979[@]	-
	70,342,519	50,092,322
Net deferred tax liability	120,154,357	87,980,009

[@]Corresponding effect given to provision for current tax in balance sheet and no effect on profit and loss account.

Significant Accounting Policies
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8. a) The Company has entered into operating lease agreements as a lessee for various premises ranging from 5 months to 36 months. The lease rentals recognized as an expense in the profit and loss account during the year and the future minimum lease payments under non-cancellable operating lease are as follows:

(Amount in Rupees)

Particulars	Current Year	Previous Year
Lease expenditure		
Lease rentals (net of recoveries Rs 31,085,271) (Previous Year Rs 22,520,000) (included in Schedule 13 'Rent'.)	71,864,190	90,020,101
Obligations on non-cancellable leases		
Not later than one year	77,569,922	106,229,328
Later than one year and not later than five years	30,623,221	94,440,193
Later than five years	-	-

b) The Company has entered into operating lease agreements as a lessor for various premises ranging from 22 months to 36 months. The lease rentals recognized as income in the profit and loss account during the year and the future minimum lease payments under non-cancellable operating lease are as follows:

(Amount in Rupees)

Particulars	Current Year	Previous Year
Lease Income		
Lease rentals (included in Schedule 12 'Miscellaneous Income'.)	28,606,948	-
Receivables on non-cancellable leases		
Not later than one year	90,579,240	-
Later than one year and not later than five years	164,424,422	-
Later than five years	-	-
Fixed Assets*		
Gross Carrying amount of leased assets	1,192,456,757	-
Accumulated depreciation	8,210,318	-
Depreciation recognised	8,210,318	-

*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.

9. The Company is engaged in development of computer software. The additional information pursuant to the provisions of paragraphs 3, 4C, 4D of Part II of Schedule VI to the Companies Act, 1956 is as under (to the extent applicable)

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

(Amount in Rupees)

Nature of Expenses	Current Year	Previous Year
Salaries	16,704,971	13,987,752
Travelling Expenses	4,940,862	5,449,695
Professional fees	5,019,603	2,344,574
Purchase of goods for trading	5,049,989	18,502,737
Other matters	21,228,915	14,058,318
TOTAL	52,944,340	54,343,076

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Significant Accounting Policies
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b) Earnings in foreign currency (including foreign branches):

(Amount in Rupees)

Nature of Income	Current Year	Previous Year
Export of Products (IPR based)	38,717,847	39,720,875
Export of Services (Project based)	1,291,524,984	1,214,282,728
Sale of Goods (Trading)	9,922,028	-
Interest on deposits/others	2,993,894	21,333,625
Other matters	49,293,001	-
TOTAL	1,392,451,754	1,275,337,228

c) In view of exemption vide notification no S.O.301(E) dated 8th February, 2011 issued by the Ministry of Corporate Affairs quantitative information relating to traded goods is not disclosed.

10. 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.

11. Related Party Disclosure

I. Names of related parties and nature of relationship:

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

1. TickerPlant Limited (TickerPlant)
2. IBS Forex Limited (IBS)
3. atom Technologies Limited (atom)
4. Riskraft Consulting Limited (Riskraft)
5. National Spot Exchange Limited (NSEL)
6. National Bulk Handling Corporation Limited (NBHC)
7. Financial Technologies Middle East-DMCC (FTME)
8. Global Board of Trade Ltd. (GBOT)
9. Singapore Mercantile Exchange PTE Ltd. (SMX) (Subsidiary of FTSPL)
10. Knowledge Assets Pvt. Ltd. (KAPL)
11. FT Group Investments Pvt. Ltd. (FTGIPL)
12. Financial Technologies Communications Ltd. (FTCL)
13. Global Payment Networks Ltd. (GPNL)
14. FT Knowledge Management Company Ltd. (FTKMCL)
15. Indian Bullion Market Association Ltd. (Subsidiary of NSEL)
16. Trans-Global Credit & Finance Ltd. (TGCFL)
17. Singapore Mercantile Exchange Clearing Corporation PTE Ltd. (Subsidiary of SMX) (SMX-CCL)
18. Capricorn Fin-Tech (Pvt). Ltd. (Subsidiary of FTME)
19. Bourse Africa Limited (Subsidiary of FTGIPL)
20. Boursa India Ltd.
21. ICX Platform (Pty) Limited
22. Credit Market Services Ltd. (CMSL)
23. Takshashila Academia of Economic Research Ltd. (TAER) (Takshashila)
24. Apian Finance and Investments Limited
25. Bahrain Financial Exchange BSC (c) (BFX) (Subsidiary of FTGIPL)
26. Financial Technologies Singapore Pte Ltd. (FTSPL) (w.e.f. April 15, 2009)
27. BFX Clearing & Depository Corporation BSC (c) (Subsidiary of BFX) (w.e.f. March 29, 2010)
28. FT Projects Limited (w.e.f. May 18, 2010)
29. Financial Technologies Projects Private Limited (w.e.f April 23, 2010)

Significant Accounting Policies
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ii) Associate Companies

1. Multi Commodity Exchange of India Limited (MCX)
2. MCX-Stock Exchange Clearing Corporation Ltd. (MCXSX-CCL)
3. Indian Energy Exchange Ltd. (IEX)
4. MCX Stock Exchange Limited (upto March 18, 2010) (MCX-SX)

iii) Joint Venture Companies

1. Dubai Gold and Commodities Exchange (DGCX) – Jointly controlled in which Company holds 18.60% Share Capital.

iv) Key Management Personnel

1. Mr. Jignesh Shah : Chairman and Managing Director
2. Mr. Dewang Neralla : Whole-time Director

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

Mr. Manjay Shah : Director - Business Development

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

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

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

(Amount in Rupees)

Nature of Transaction	Subsidiary Companies	Associate Companies	Joint Venture Companies
1. Loan given			
- Opening balance	772,126,665	-	-
	(256,982,030)	(-)	(-)
- Given during the year	1,017,649,069	-	-
	(1,609,577,410)	(-)	(-)
- Repaid/adjusted during the year	758,601,234	-	-
	(585,757,275)	(-)	(-)
- Converted in Equity	-	-	-
	(508,675,500)	(-)	(-)
- Balance at the end of the year	1,031,174,500	-	-
	(772,126,665)	(-)	(-)
2. Sales-Products (IPR Based License)	49,182,736	9,858,984	34,665,642
	(33,696,246)	(71,744,416)	(25,717,605)
3. Sales-Services (Project based)	1,307,157,336	836,327,152	4,826,950
	(1,418,014,217)	(666,810,115)	(7,481,319)
4. Other Income			
Shared Business Support Services	57,840,000	96,000,000	-
	(57,840,000)	(138,000,000)	(-)
IT infrastructure sharing income	9,047,831	9,298,391	-
	(8,973,980)	(11,170,101)	(-)
Interest received	64,744,675	-	-
	(20,296,356)	(9,300,557)	(-)
Rent and Amenities	21,285,000	-	-
	(15,40,000)	(-)	(-)
5. Sale of traded goods	10,307,240	4,322,097	-
	(128,800)	(12,442,353)	(-)
6. Sale of Fixed Assets	2,180,778	1,770,556	-
	(-)	(172,116,594)	(-)
7. Purchase of Fixed Assets	1,254,393	17,762,196	-
	(-)	(-)	(-)
8. Recoveries charged by the Company towards expenses	133,436,788	36,324,086	-
(Refer Schedule 13)	(91,948,305)	(30,916,828)	(-)
9. Reimbursement of expenses charged to the Company			
- by MCX relating to Offer for Sale by the Company as	-	14,549,674	-
part of the proposed public issue of MCX.	(-)	(-)	(-)

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(Amount in Rupees)

Nature of Transaction	Subsidiary Companies	Associate Companies	Joint Venture Companies
- other expenses	15,688,942	39,939,164	-
	(15,388,164)	(42,759,636)	(-)
10. Advances			
- Balance as at the close of the year	40,188,447	25,529	-
	(39,641,121)	(17,081,370)	(-)
11. Current liabilities as at the close of the year			
- Sundry Creditors	89,447,389	197,513	-
	(5,383,771)	(-)	(-)
- Unearned revenues	48,450,867	11,149,658	3,211,847
	(43,764,390)	(15,489,033)	(3,226,571)
12. Rent Deposits charged by the Company			
- Amount received towards Rent deposits	-	-	-
	(4,867,200)	(-)	(-)
- Rent deposits refunded by the Company	30,809,616	-	-
	(4,875,000)	(-)	(-)
- Balance at the close of the year	-	-	-
	(30,809,616)	(-)	(-)
13. Rent Deposits charged to the Company by MCX			
- Rent deposits refunded by MCX	-	11,909,828	-
	(-)	(-)	(-)
- Balance at the close of the year	-	-	-
	(-)	(11,909,828)	(-)
14. Sundry Debtors	179,555,171	-	18,880,431
- Balance as at the close of the year	(474,748,090)	(57,771,450)	(2,084,655)
15. Dividend Received from MCX	-	63,613,965	-
	(-)	(63,613,965)	(-)
16. Guarantees given on behalf of			
- Increase for the current year	7,260,250,280	-	-
Decrease for the previous year	(1,013,060,880)	(-)	(-)
- Balance at the close of the year	7,537,725,000	-	-
	(277,474,720)	(-)	(-)
17. Investments made during the year			
Subscription to Equity/Ordinary shares	350,507,651	-	-
	(1,532,926,979)	(46,000,000)	(-)
Purchase of Equity/Ordinary shares	159,217,734	-	-
	(-)	(-)	(-)
Conversion of loan granted into Equity/Ordinary shares	-	-	-
	(508,675,500)	(-)	(-)
Optionally Convertible Preference shares	-	-	-
	(2,354,750,000)	(-)	(-)
18. Sale of shares	-	18,596,980	-
	(-)	(-)	(-)
19. Equity investment reduced during the year	-	-	-
(Refer Note 5 to Schedule 15-II)	(-)	(562,460,000)	(-)
20. Transfer of Equity Shares of Singapore Mercantile Exchange PTE Ltd. (SMX) in exchange of Equity Shares of Financial Technologies Singapore Pte Ltd. (FTSPL)	2,780,519,699 (-)	- (-)	- (-)
21. Provision for other than temporary diminution in the value of Investments made during the year	321,000,000 (-)	- (-)	- (-)
22. Investment balance at the close of the year			
Cost	10,379,125,177	276,130,950	82,878,000
	(9,869,399,790)	(294,727,930)	(82,878,000)
Provision for other than temporary diminution in the value of Investments	890,025,934 (569,025,934)	- (-)	- (-)
Net Carrying value of Investments	9,489,099,243	276,130,950	82,878,000
	(9,300,373,856)	(294,727,930)	(82,878,000)

Significant Accounting Policies
and Notes to Accounts

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

(Amount in Rupees)

Nature of Transaction	Key Managerial Personnel	Relatives of Key Managerial Personnel	Entities over which the key management personnel is able to exercise significant influence
1. Salary and Allowances	114,243,412	6,000,000	-
	(112,202,377)	(6,000,000)	(-)
2. Dividend paid during the year	67,119,672	615,344	97,531,344
	(67,119,672)	(615,344)	(96,936,504)
3. Payment made by the Company	-	-	-
as per arbitration award (La-fin)	(-)	(-)	(4,943,400)

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

a) Key Managerial person

Transactions during the year	Key Managerial Personnel
Salary and allowances	
Jignesh Shah	96,577,633
	(97,323,478)
Dewang Neralla	17,665,779
	(14,878,899)
Dividend paid	
Jignesh Shah	66,636,680
	(66,636,680)

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Notes (b) Transactions with subsidiaries, associates and a joint venture company.

(Amount in Rupees)

Transactions during the year	Subsidiaries/Associates/Joint Venture Company									
	Atom	TickerPlant	Riskraft	NBHC	NSEL	IBMA	FTME	Apian	CMSL	GBOT
Loan given	201,600,000	332,100,000	-	-	190,000,000	-	28,099,069	223,000,000	-	-
	(36,950,000)	(156,112,000)	(-)	(-)	(200,000,000)	(-)	(47,800,663)	(573,500,000)	(-)	(-)
Loan repaid	-	300,000,000	-	-	100,000,000	-	253,521,231	24,000,000	-	-
	(13,350,000)	(7,000,000)	(-)	(-)	(-)	(-)	(-)	(510,000,000)	(-)	(-)
Sales-Services	-	-	-	-	14,433,246	-	-	-	-	346,175,827
(Project based)	(-)	(-)	(-)	(-)	(210,049,030)	(-)	(-)	(-)	(-)	(291,500,000)
Shared Business	24,000,000	24,000,000	-	-	-	-	-	-	-	-
Support Services	(24,000,000)	(24,000,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
IT-infrastructure	-	-	-	2,445,221	2,209,600	-	-	-	-	-
sharing income	(-)	(-)	(-)	(2,304,245)	(2,226,135)	(-)	(-)	(-)	(-)	(-)
Rent & Amenities	7,345,000	11,300,000	-	-	-	2,640,000	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(1,540,000)	(-)	(-)	(-)	(-)
Sale of traded goods	-	-	-	-	-	-	-	-	-	9,922,028
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sales-Product	-	-	-	-	44,081,545	-	-	-	-	-
(IPR based Liscence)	(-)	(-)	(-)	(-)	(23,048,499)	(-)	(-)	(-)	(-)	(-)
Purchase of Fixed Assets	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Fixed asset	-	1,397,947	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Recoveries charged by the	20,381,104	36,092,782	-	30,584,998	-	-	-	-	-	-
company towards expenses	(13,879,871)	(30,788,758)	(-)	(24,762,955)	(-)	(-)	(-)	(-)	(-)	(-)
(Refer Schedule 13)										
Reimbursement of expenses	-	2,736,957	-	1,537,247	-	-	-	-	-	-
charged to the Company-Others	(-)	(6,056,385)	(-)	(1,187,101)	(-)	(-)	(-)	(-)	(-)	(-)
Interest received	9,578,608	11,600,533	665,885	-	21,106,849	-	-	14,099,753	-	-
	(356,910)	(4,410,103)	(1,892,679)	(-)	(-)	(-)	(-)	(4,230,493)	(-)	(-)
Rent deposits	-	-	-	-	-	-	-	-	-	-
received from them	(-)	(4,867,200)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Rent deposits	-	15,754,112	-	10,945,500	-	-	-	-	-	-
refunded to them	(4,875,000)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Conversion of loan granted	-	-	-	-	-	-	-	-	-	-
into equity/ordinary shares	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Equity investment reduced	-	-	-	-	-	-	-	-	-	-
during the year	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment made during the year	-	300,000,000	-	159,217,734	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(706,950,000)
Sale of shares	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Provision for other than temporary	60,000,000	261,000,000	-	-	-	-	-	-	-	-
diminution in the value of	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investments made during the year										
Increase in guarantees given	-	-	-	-	1,713,500,000	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Decrease in guarantees given	-	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(1,000,000,000)	(-)	(-)	(-)	(-)	(-)

Subsidiaries/Associates/Joint Venture Company

(Amount in Rupees)

Transactions during the year	FTGIPL	Takshashila	BFX	SMX	FT Singapore	DGCX	MCX	MCX-SX	IEX
Loan given	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(508,675,500)	(-)	(-)	(-)	(-)	(-)
Loan repaid	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sales-Services	-	-	574,210,300	260,817,000	-	-	806,978,213	-	-
(Project based)	(-)	(-)	(576,620,950)	(216,180,000)	(-)	(-)	(409,278,024)	(231,218,359)	(-)
Shared Business	-	-	-	-	-	-	96,000,000	-	-
Support Services	(-)	(-)	(-)	(-)	(-)	(-)	(96,000,000)	(42,000,000)	(-)
IT-infrastructure	-	-	-	-	-	-	8,812,204	-	-
sharing income	(-)	(-)	(-)	(-)	(-)	(-)	(8,895,872)	(-)	(-)
Rent & Amenities	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of traded goods	-	-	-	-	-	-	4,316,753	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(8,894,484)	(3,547,869)	(-)
Sales-Product	-	-	-	-	-	34,665,642	9,858,984	-	-
(IPR based Liscence)	(-)	(-)	(-)	(-)	(-)	(25,717,605)	(-)	(58,005,425)	(-)
Purchase of Fixed Assets	-	-	-	-	-	-	17,762,196	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Fixed asset	-	-	-	-	-	-	1,715,880	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(172,116,594)
Recoveries charged by the	-	-	-	-	-	-	33,911,805	-	-
company towards expenses (Refer Schedule 13)	(-)	(-)	(-)	(-)	(-)	(-)	(27,204,235)	(-)	(-)
Reimbursement of expenses	-	-	-	-	-	-	39,939,164	-	-
charged to the Company-Others	(-)	(-)	(-)	(-)	(-)	(-)	(41,156,078)	(-)	(-)
Interest received	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(9,300,557)
Rent deposits	-	-	-	-	-	-	-	-	-
received from them	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Rent deposits	-	3,630,000	-	-	-	-	-	-	-
refunded to them	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Conversion of loan granted	-	-	-	-	-	-	-	-	-
into equity/ordinary shares	(-)	(-)	(-)	(508,675,500)	(-)	(-)	(-)	(-)	(-)
Equity investment reduced	-	-	-	-	-	-	-	-	-
during the year	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(562,460,000)	(-)
Investment made during the year	-	-	-	-	-	-	-	-	-
	(1,647,800,000)	(-)	(-)	(1,256,827,244)	(-)	(-)	(-)	(-)	(-)
Sale of shares	-	-	-	-	-	-	-	-	18,596,980
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Provision for other than temporary	-	-	-	-	-	-	-	-	-
diminution in the value of Investments made during the year	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Increase in guarantees given	5,546,750,280	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Decrease in guarantees given	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Significant Accounting Policies
and Notes to Accounts

12. 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 about 2 to 4 years time frame. The Company, as part of its non-linear business model, will continue to unlock value by broadening the investor base of its ventures.

    During the year, the Company sold partial investment held in a group company. The resultant profit of Rs 191,296,078 (Previous Year 2,368,281,250) [net of directly attributable brokerage expenses of Rs 4,734,688 (Previous Year Rs 75,468,750)] is grouped under 'Profit on sale of Investments' in Other Income' (Schedule 12).

13. During the year ended March 31, 2010, the Company had sold 71,875,000 equity shares of Re 1 each in MCX Stock Exchange Limited (an unlisted entity) for an aggregate consideration of Rs 2,515,625,000 to a Financial Institution ('Purchaser'). The said sale was subject to a price reset and interest. During the last quarter of the year, the Purchaser exercised its right and the Company accordingly paid an amount of Rs 1,796,875,000 as price reset and Rs 294,774,914 as interest which being an exceptional item has been accordingly disclosed. Consequently the tax provision of Rs 710,951,806 is written back.

14. In an earlier year, the Company adopted the option offered by the notification of the Companies (Accounting Standards) Amendment Rules 2006 which amended Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates".

    Pursuant to the aforesaid notification, exchange differences relating to long term monetary items have been accounted for as described in Accounting policy I of Schedule 15-I.

    Accordingly, (1) cumulative foreign exchange loss (net) of Rs 51,900,068 (Previous Year Rs 69,383,630) has been adjusted to the cost of the fixed assets/capital work-in-progress and (2) Rs 26,861,438 has been credited (Previous Year Rs 364,301,775) to the Foreign Currency Monetary Item Translation Difference Account during the year [unamortized balance at the year end is Rs Nil (Previous Year credit Rs 52,086,836)].

15. a) The holders of Zero Coupon Convertible Bonds due 2011 ('ZCCBs') have an option to convert the ZCCBs into equity shares at any time on and after January 30, 2007 up to the close of business on December 14, 2011, at an initial conversion price of Rs 2362.68 per equity share at a fixed exchange rate on conversion of Rs 44.6738 to US$ 1, subject to certain adjustments as per the terms of the issue. Under certain conditions, the Company, on or after December 20, 2007 but not less than seven business days prior to December 21, 2011, has an option to mandatorily convert the ZCCBs into equity shares, in whole, but not in part. Further, under certain circumstances, the Company has the option to redeem the ZCCBs during their tenure at their Early Redemption Amount subject to RBI regulations. Unless previously converted or redeemed or purchased and cancelled, the Company will redeem them at 147.14 percent of their principal amount on December 21, 2011. As at balance sheet date 90,500 ZCCBs having face value of US$ 1,000 each outstanding have been disclosed in the Balance Sheet, as restated, as Unsecured Loan.

    b) The movement in provision for redemption premium payable on redemption of ZCCBs in accordance with Accounting Standard (AS-29) 'Provisions, Contingent Liabilities and Contingent Assets' is as follows:

(Amount in Rupees)

Premium payable on redemption of ZCCBs	As at 31.3.2011	As at 31.3.2010
Opening balance	1,316,829,040	887,843,584
Add: Provision made during the year	453,080,094	428,985,456
Closing balance	1,769,909,134	1,316,829,040

    c) Statement of utilization of proceeds out of ZCCBs till March 31, 2011:

Particulars	Rupees
Proceeds received (net of expenses)	4,316,463,071
Less: Deployment up to March 31, 2010	4,301,567,201
Balance pending utilization as on March 31, 2010	**14,895,870**
Deployment for the year ended March 31, 2011	
Listing Fees and Bank Charges (including Foreign Exchange fluctuations)	257,804
Balance held as under pending utilization	
a) in Current and Deposit account in Scheduled bank (included in Schedule 6)	14,608,623
b) Unrealized loss on foreign currency	29,443
Total Balance pending utilization	**14,638,066**

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16. **Employee benefit plans:**

Defined contribution plans: Amounts recognized as expenses towards contributions to provident fund, employee state insurance corporation and other funds by the Company are Rs 31,367,098 (Previous Year Rs 34,048,682).

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):

(Amount in Rupees)

Particulars	Current Year	Previous Year
I. Change in benefit obligation:		
Projected benefit obligation at the beginning of the year	66,703,036	53,547,681
Interest Cost	5,002,728	4,283,814
Current Service Cost	16,602,414	15,952,492
Benefits Paid	(5,687,115)	(1,971,832)
Actuarial gain on obligations	(3,036,502)	(2,048,206)
Obligation transferred/settled	(2,011,310)	(3,060,913)
Projected benefit obligation at the end of the year	**77,573,251**	**66,703,036**
II. Change in plan assets		
Fair Value of the plan asset at beginning of the year	45,258,871	34,929,141
Expected return on plan assets	3,394,415	2,794,331
Contributions	15,821,364	9,079,685
Benefits paid	(5,687,115)	(1,971,832)
Actuarial gain on plan assets	601,050	427,546
Fair value of plan assets at the end of the year	**59,388,585**	**45,258,871**
Excess of obligation over plan assets	**18,184,666**	**21,444,165**
III. Gratuity expense for the year		
Current service cost	16,602,414	15,952,492
Interest cost	5,002,728	4,283,814
Expected return on plan assets	(3,394,415)	(2,794,331)
Net actuarial gain recognized	(3,637,552)	(2,475,751)
TOTAL	**14,573,175**	**14,967,224**
IV. Actual return on plan assets	**3,995,465**	**3,221,877**
V. Category of Assets as at end of the year		
Insurer Managed Funds	59,388,585	45,258,871
Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned asset is not available		
TOTAL	**59,388,585**	**45,258,871**
VI. Assumptions		
Discount rate	8.25%	7.50%
Salary escalation rate	7.50%	7.50%
Expected rate of return on plan assets	8.25%	7.50%

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(Amount in Rupees)

Particulars	2011	2010	2009	2008	2007
VII. Experience adjustments	**2011**	**2010**	**2009**	**2008**	**2007**
Defined benefit obligation	77,573,251	66,703,036	53,547,681	20,208,052	12,410,170
Fair value of planned assets	59,388,585	45,258,871	34,929,141	13,867,447	6,550,775
Surplus/deficit	18,184,666	21,444,165	18,618,540	6,340,605	5,859,395
Experience adjustment on plan liabilities [(Gain)/Loss]	6,823,041	(2,659,467)	1,902,212	931,250	Not available
Experience adjustment on plan assets [Gain/(Loss)]	601,050	427,546	178,046	110,023	Not available

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.

The Company expect to contribute Rs 17,364,000 to the plan assets during financial year 2011-12.

17. Loans and advances in the nature of loans (as required by clause 32 of the listing agreement with the stock exchanges)

(Amount in Rupees)

Name of the Company		Balance as on 31.03.11	Balance as on 31.03.10	Maximum amount outstanding during the year
National Bulk Handling Corporation Ltd.	Subsidiary	-	13,403,948#	30,519,577 (34,382,564)
National Spot Exchange Ltd.	Subsidiary	310,031,380#	200,419,482	399,333,924 (200,419,482)
TickerPlant Ltd.	Subsidiary	181,212,000	161,899,614	304,168,398 (161,899,614)
Riskraft Consulting Ltd.	Subsidiary	-	15,078,533	20,903,172 (25,963,873)
atom Technologies Ltd.	Subsidiary	225,200,000	27,735,736	225,200,000 (27,735,736)
Financial Technologies Communications Ltd.	Subsidiary	20,500,000	29,248,107	32,098,935 (34,756,125)
Global Payment Networks Ltd.	Subsidiary	-	-	- (16,273)
Indian Energy Exchange Ltd.	Associate	25,529#	8,554,401	8,661,406 (9,548,059)
FT Group Investments Pvt. Ltd.	Subsidiary	-	-	1,206,339 (2,158,018)
Singapore Mercantile Exchange PTE Ltd.	Subsidiary	16,996,118#	1,062,361	16,996,118 (513,011,334)
FT Knowledge Management Company Ltd.	Subsidiary	9,400,000	31,258,962	37,079,648 (31,258,962)
Trans-Global Credit & Finance Ltd.	Subsidiary	100,000	305,237	305,237 (316,984)
Apian Finance & Investment Ltd.	Subsidiary	262,500,000	63,487,274	289,059,407 (563,500,510)
Credit Market Services Ltd.	Subsidiary	1,900,000	65,221	4,013,916 (682,378)
Takshashila Academia of Economic Research Ltd.	Subsidiary	29,200,000	25,991,318	34,524,188 (26,315,602)
Global Board of Trade Ltd.	Subsidiary	399,276#	789,830#	3,888,891 (1,670,345)
Bourse Africa Ltd.	Step down subsidiary	254,712#	75,802#	254,712 (1,394,907)

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(Amount in Rupees)

Name of the Company		Balance as on 31.03.11	Balance as on 31.03.10	Maximum amount outstanding during the year
MCX Stock Exchange Ltd.	Associate (till March 19, 2010)	-	326,934#	1,254,822 (1,506,457)
Financial Technologies Middle East DMCC	Subsidiary	-	220,422,162	267,708,581 (234,590,358)
ICX Platform (PTY) Ltd.	Subsidiary	12,085,390	12,828,312	13,154,562 (12,828,312)
Multi Commodity Exchange of India Ltd.	Associate	-	20,064,515#	20,064,515 (20,064,515)
MCX-SX Clearing Corporation Ltd.	Associate	-	45,348#	93,555 (338,278)
Indian Bullion Market Association Ltd.	Step down Subsidiary	5,062#	1,612,799#	4,398,424 (1,612,799)
Bahrain Financial Exchange	Subsidiary	1,449,179#	111,043#	2,183,325 (315,264)

#includes non-interest bearing advances

Notes:
i) Loans to employees as per the Company's policy are not considered.
ii) None of the loanees has made investments in the shares of the Company.
iii) Figures given in brackets pertain to previous year.

18. Earnings Per Share is calculated as follows:

(Amount in Rupees)

Particulars	Current Year	Previous Year
EPS		
a. Net profit available for equity shareholders (for basic / diluted EPS)	919,346,973	3,443,658,728
b. Weighted average number of equity shares		
Basic	46,078,537	45,936,562
Add: Effect of dilutive stock options	-	3,940
Diluted	46,078,537	45,940,502
c. Basic earnings per share	19.95	74.97
Diluted earnings per share	19.95	74.96
d. Face value per share	2/-	2/-

19. 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	:	18.60% (Previous Year 18.60%)

b. Company's share of interest in the assets, liabilities, income and expenses with respect to JCE (each without elimination of the effects of transactions between the Company and the JCE) on the basis of unaudited financial statements of the JCE as at and for the year ended March 31, 2011:

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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	Amount in Rupees
I. Assets	
1. Fixed Assets	7,451,272
	(12,542,458)
2. Current Assets	
a) Debtors	-
	(1,218,022)
b) Cash and Bank Balances	292,864,218
	(278,836,443)
c) Loans and Advances	1,466,961
	(1,354,382)
d) Other Current Assets	3,287,412
	(-)
II. Liabilities	
1. Current Liabilities	292,297,599
	(233,002,099)
2. Provisions	13,979,331
	(10,280,481)
III. Income	
1. Admission Fees	3,721,781
	(6,292,612)
2. Transaction Fees	10,375,170
	(8,162,032)
3. Interest Income	7,029,205
	(3,433,646)
4. Other Income	1,661,605
	(1,011,512)
IV. Expenses	
1. Operating and Other Expenses	68,821,726
	(88,740,131)
2. Depreciation	6,318,216
	(8,685,366)
V. Contingent liabilities	-
	(-)
VI. Capital commitments	-
	(-)

Previous year figures are given in brackets.

Significant Accounting Policies
and Notes to Accounts

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

Particulars	Currency	Rupees	Amount in Foreign Currency
Net payables	USD	5,118,419,106	114,634,246
		(4,448,278,100)	(98,544,043)
	BHD	1,040,187	8,614
		(-)	(-)
	AED	147,389	11,923
		(5,222,391)	(425,855)
Net receivables	SGD	1,165,772	32,401
		(290,083)	(9,009)
	EUR	2,379,767	37,631
		(-)	(-)
	MUR	-	-
		(48,235)	(31,725)

Previous year figures are given in brackets.

21. 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 Rs)
Dividends paid during 2010-11			
2010-11 (1st Interim Dividend)	588	12,251,661	24,503,322
2010-11 (2nd Interim Dividend)	696	11,229,128	22,458,256
2010-11 (3rd Interim Dividend)	708	11,116,942	22,233,884
2009-10 (Final Dividend)	607	11,870,273	23,740,546
Dividends paid during 2009-10			
2009-10 (1st Interim Dividend)	560	12,171,660	24,343,320
2009-10 (2nd Interim Dividend)	633	11,526,879	23,053,758
2009-10 (3rd Interim Dividend)	624	11,724,451	23,448,902
2008-09 (Final Dividend)	603	11,926,424	23,852,848

22. The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of the account is Rs 108,704,313 (Previous Year Rs 105,532,436).

23. The Company's investments aggregating Rs 9,575,312,331 (Previous Year Rs 9,238,186,235) and debts and other recoverable aggregating Rs 917,851,261 (Previous Year Rs 1,194,866,520), as at March 31, 2011, in certain subsidiaries and a joint venture company, which presently have continuing losses [share of aggregate losses till March 31, 2011; Rs 3,626,745,370 (Previous Year Rs 2,519,229,714)], 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 of Rs 890,025,934 (Previous Year Rs 569,025,934) [including Rs 321,000,000 (Previous Year Rs Nil) made during the year] is considered to be adequate.

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Significant Accounting Policies
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24. During the year, the Company proposed to divest part of its investments aggregating 2,643,916 (Previous Year 3,600,000) equity shares of Rs 10 (Previous Year Rs 5) each of Multi Commodities Exchange of India Limited (MCX) at a price at which MCX proposed to make a public issue. MCX has filed its Draft Red Herring Prospectus with Securities and Exchange Board of India. The investments in 2,643,916 (Previous Year 3,600,000) equity shares of Rs 10 (Previous Year Rs 5) each is disclosed by the Company under Current Investment.

25. Figures for the previous accounting year have been regrouped/rearranged wherever necessary to correspond with the figures of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For and on behalf of the Board.

Jignesh Shah
Chairman & Managing Director

Chandrakant Kamdar
Director

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

Place : Mumbai
Date : 27th May, 2011

Balance Sheet Abstract

and the Company's General Business Profile

I. Capital raised during the year

(Amounts in Rs Thousands)

Public Issue	Rights Issue
—	—
Bonus Issue	Private Placement
—	—

II. Position of mobilisation and Deployment of funds

(Amounts in Rs Thousands)

Total Liabilities	Total Assets
24,765,622	24,765,622
Paid up capital	Reserves and Surplus
92,157	20,512,486
Secured Loans	Unsecured Loans
—	4,040,825
Net Fixed Assets	Investments
4,245,354	18,607,077
Net Current Assets	Deferred Tax
1,913,191	120,154
Misc. Expenditure	Accumulated Losses
—	—

III. Performance of Company (Before Exceptional Items)

(Amounts in Rs Thousands)

Turnover (Sales and Other Income)	Total Expenditure
4,997,508	2,388,455
Profit/(Loss) Before Tax	Profit/(Loss) After Tax
2,609,053	2,300,045
Earnings per Share in Rs (refer Note 18 of Schedule 15)	Dividend Rate %
49.92	400%

IV. Generic Names of Three Principal Products / Service of the Company (as per monetary terms)

Item Code (ITC Code)	Product Description
85249009.10	Software Product

Consolidated Financial Statements

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Auditors' Report

To the Board of Directors of Financial Technologies (India) Limited

1. We have audited the attached Consolidated Balance Sheet of **Financial Technologies (India) Limited** ("the Company"), its subsidiaries and jointly controlled entity (the Company, its subsidiaries and jointly controlled entity constitute "the Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entity accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements/ consolidated financial statements in respect of certain subsidiary groups, and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. a) We did not audit the financial statements of: (i) any of the 29 subsidiaries, whose financial statements reflect total assets of Rs 12,007,382,739 as at 31st March, 2011, total revenues of Rs 2,126,227,776 and net cash inflows amounting to Rs 2,147,690,063 for the year ended on that date; and (ii) any of the associates, whose financial statements reflect the Group's share of profit of Rs 631,536,366 for the year ended 31st March, 2011; as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and associates is based solely on the reports of the other auditors.

   b) As stated in Note 1(c) to Schedule 18-II, the Consolidated Financial Statements include the unaudited financial statements of its only joint venture company, whose financial statements reflect the Group's share of total assets of Rs 618,124,802 as at 31st March, 2011, total revenues of Rs 47,736,403 and net cash outflow amounting to Rs 124,190,620 for the year ended on that date as considered in the Consolidated Financial Statements.

4. Without qualifying our opinion, we draw attention to:

   a) Note 14 to Schedule 18-II regarding the Company and its associate's stand that no tax liability is expected as a consequence to a court approved reduction-cum arrangement scheme of MCX Stock Exchange Limited based on independent legal/tax counsel's opinion as stated in the said Note;

   b) Note 27 to Schedule 18-II regarding goodwill on consolidation of Rs 94,687,676 carried at cost and provision for impairment is not considered to be necessary by the Management for the reasons stated in the said Note;

   c) Note 10 to Schedule 18-II, as made by the auditors of a subsidiary group, regarding amount of Rs 94,828,691 recoverable from National Agricultural Co-operative Marketing Federation of India Limited (NAFED) and provision for doubtful advances is not considered to be necessary by the subsidiary's management for the reasons stated in the said Note;

   d) Notes 3(d)(ii) and 17 to Schedule 18-II, as made by the auditors of an associate company in which the Company has 31.18% equity shareholding and is accounted under the equity method of accounting, regarding treatment of 'other than Forward Market Commission (FMC) prescribed penalties' and treatment of members' margin and income thereon, pending response from FMC on the associate company's representations on Investor Protection Fund Guidelines, 2007 and Settlement Guaranteed Fund Guidelines, 2007, respectively; and

   e) Emphasis of Matter made by the auditors of two of the subsidiaries regarding preparation of the financial statements of these subsidiaries on going concern basis whose financial statements reflect aggregate accumulated losses of Rs 30,619,861 which is inter alia dependent on availability of funds to finance future operations.

5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

Auditors' Report

To the Board of Directors of Financial Technologies (India) Limited

6. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiaries and associates/consolidated financial statements in respect of certain subsidiary groups, and to the best our information and according to the explanations given to us, in our opinion, subject to our comment in paragraph 3(b) above regarding the inclusion of unaudited financial statements of the joint venture company, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the Consolidated Balance Sheet, of the state of affairs of Group as at March 31, 2011;

   ii) in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and

   iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No: 117366W)

Rajesh K Hiranandani
Partner
(Membership No. 36920)

Mumbai, 27th May, 2011

Consolidated Balance Sheet

As at 31st March, 2011

(Amount in Rupees)

	Schedule No.		As at 31.03.2011	As at 31.03.2010
I. SOURCES OF FUNDS				
1) Shareholders' funds				
a) Share Capital	1	92,157,074		92,157,074
b) Reserves and Surplus	2	15,461,147,649		17,423,871,705
			15,553,304,723	17,516,028,779
2) Minority interest			147,041,578	259,425,956
3) Loan funds				
Secured loans	3	1,655,381,499		122,773,486
Unsecured loans	4	9,178,595,672		4,098,850,593
			10,833,977,171	4,221,624,079
4) Deferred tax liability (net) (Refer Notes 7(B) to Schedule 18-II)			121,616,928	93,366,768
5) Foreign Currency Monetary Item Translation Difference Account (FCMITDA) (Refer Note 19 to Schedule 18-II)			-	52,086,836
TOTAL			**26,655,940,400**	**22,142,532,418**
II. APPLICATION OF FUNDS				
1) Fixed assets				
a) Gross block	5	4,954,573,013		1,688,323,708
b) Less: depreciation/amortisation		568,165,383		374,060,317
c) Net block		4,386,407,630		1,314,263,391
d) Capital work-in-progress		676,740,501		1,921,888,829
			5,063,148,131	3,236,152,220
2) Goodwill (on consolidation) (Refer Note 27 to Schedule 18-II)			140,845,818	89,548,931
3) Investments	6		12,175,719,708	13,182,689,965
4) Deferred tax asset (net) (Refer Note 7(A) to Schedule 18-II)			-	144,500,724
5) Current assets, loans and advances				
a) Inventories	7	1,544,338,247		48,598,813
b) Sundry debtors	8	1,467,866,322		528,936,894
c) Cash and bank balances	9	8,046,177,172		6,571,137,869
d) Other current assets	10	90,244,471		45,049,619
e) Loans and advances	11	3,614,867,185		1,707,520,058
		14,763,493,397		8,901,243,253
Less: Current liabilities and provisions				
a) Current liabilities	12	3,428,887,520		1,836,041,705
b) Provisions	13	2,058,379,134		1,575,560,970
		5,487,266,654		3,411,602,675
Net current assets			9,276,226,743	5,489,640,578
TOTAL			**26,655,940,400**	**22,142,532,418**
Significant accounting policies & notes to consolidated accounts	18			

The schedules referred to above form an integral part of the consolidated accounts.

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

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 27th May, 2011

For and on behalf of the Board.

Jignesh Shah
Chairman & Managing Director
Chandrakant Kamdar
Director
Naishadh Desai
Sr. Vice President (Legal) & Company Secretary
Place : Mumbai
Date : 27th May, 2011

Consolidated Profit & Loss Account

For the Year Ended 31st March, 2011

(Amount in Rupees)

	Schedule No.	Current year	Previous year
INCOME			
Sales/operating income	14	3,804,284,251	3,140,292,905
Less: Excise duty		4,985	39,405,646
		3,804,279,266	3,100,887,259
Other income	15	1,703,561,994	3,415,550,356
Increase/(Decrease) in closing stock of trading goods		24,871,339	18,935,090
		5,532,712,599	6,535,372,705
EXPENDITURE			
Purchase of Trading goods		57,407,139	253,920,911
Operating and other expenses	16	5,218,807,053	4,580,940,836
Interest	17	71,326,508	3,580,200
Depreciation/amortisation/impairment		290,008,006	163,915,512
		5,637,548,706	5,002,357,459
(Loss)/Profit before tax and exceptional item		**(104,836,107)**	**1,533,015,246**
Exceptional item (Refer Note 18 to Schedule 18-II)		2,091,649,914	-
(Loss)/Profit before tax		**(2,196,486,021)**	**1,533,015,246**
Provision for taxation			
Income tax: Current Tax		272,741,568	1,115,541,172
Deferred Tax charge/(credit)		201,670,375	(218,231,909)
Income tax in respect of earlier years		20,732,463	17,346
		495,144,406	897,326,609
Tax effect on exceptional item (Refer Note 18 to Schedule 18-II)		(710,951,806)	-
Wealth Tax		192,826	84,230
		(215,614,574)	897,410,839
(Loss)/Profit after tax		**(1,980,871,447)**	**635,604,407**
Add: Share of profits of associates		631,536,366	741,670,128
Less/(Add): Share of Minority interest		18,705,087	(23,831,246)
Net (Loss)/Profit for the year		**(1,368,040,168)**	**1,401,105,781**
Balance brought forward from previous year		9,326,589,789	8,706,108,901
Profit available for appropriations		**7,958,549,621**	**10,107,214,682**
Appropriations			
Transfer to general reserve		124,000,000	350,000,000
Transfer to statutory reserve		755,442	256,566
Final dividend (Proposed)		92,157,074	92,157,074
Interim dividend		276,471,222	275,717,086
Tax on dividend		60,512,638	62,494,167
Balance carried to balance sheet		**7,404,653,245**	**9,326,589,789**
Earnings per share (Refer Note 24 to Schedule 18-II)			
Basic		(29.69)	30.50
Diluted		(29.69)	30.50
Face Value per share		2/-	2/-
Significant accounting policies and notes to consolidated accounts	18		

The schedules referred to above form an integral part of the consolidated accounts.

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

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 27th May, 2011

For and on behalf of the Board.

Jignesh Shah
Chairman & Managing Director

Chandrakant Kamdar
Director

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

Place : Mumbai
Date : 27th May, 2011

Financials

Consolidated Cash Flow Statement

for the year ended 31st March, 2011

(Amount in Rupees)

	Current Year		Previous Year	
A. Cash flow from operating activities				
Net (Loss)/Profit before tax		(2,196,486,021)		1,533,015,246
Adjustments for:				
Depreciation/amortisation/impairment	290,008,006		163,915,512	
Profit on sale of partial stake in an associate company	(185,841,906)		(2,368,281,250)	
Profit on sale of investments (net)	(504,461,609)		(149,637,175)	
Loss/(Profit) on disposal/write off of fixed assets (net)	20,501,246		(13,952,103)	
Exceptional item (Refer Note 18 to Schedule 18-II)	2,091,649,914		-	
Provision for doubtful debts/advances (net)	33,730,173		18,657,120	
(Reversal of write down)/write down in value of current investments (net)	(4,766,287)		14,004,584	
Dividend from investments	(399,079,040)		(320,187,829)	
Interest expense	64,292,864		3,580,200	
Exchange rate fluctuations-unrealised (Gain)/Loss	(77,110,444)		287,843,795	
Interest income	(204,958,671)	1,123,964,246	(259,312,748)	(2,623,369,894)
Operating loss before working capital changes		(1,072,521,775)		(1,090,354,648)
Adjustments for:				
Inventories	(1,495,739,434)		27,037,101	
Trade and other receivables	(1,752,552,864)		2,079,861,423	
Trade payables and provisions	1,767,404,730	(1,480,887,568)	(465,953,217)	1,640,945,307
Cash (used in)/generated from operating activities		(2,553,409,343)		550,590,659
Tax paid (net of refund)		(465,824,906)		(181,237,065)
Net cash (used in)/generated from operating activities		(3,019,234,249)		369,353,594
B. Cash flow from investing activities				
Purchase of fixed assets		(2,641,399,273)		(507,301,440)
Proceeds from sale of fixed assets		348,791,155		373,829,089
Proceeds from partial sale of stake in an associate company (net of brokerage) (Refer Note 5 to Schedule 18-II)		209,893,058		2,440,156,250
Purchases of investments		(37,102,379,964)		(47,597,672,450)
Acquisition of subsidiary and investment in subsidiaries/associates		(189,679,094)		(46,000,000)
Proceeds from sale of investments		39,191,839,297		46,520,461,215
(Increase)/decrease in fixed deposit with banks		(380,052,761)		2,436,766,208
Payment to financial institution on exercise of right to reset price of investment in shares sold (Refer Note 18 to Schedule 18-II)		(2,091,649,914)		-
Interest income		176,827,576		327,464,710
Dividend from associate company		63,613,965		63,613,963
Dividend from investments		395,383,006		317,292,066
Cash (used in)/generated from investing activities		(2,018,812,949)		4,328,609,611
Tax paid		(64,134,130)		(881,025,653)
Net cash (used in)/generated from investing activities		(2,082,947,079)		3,447,583,958
C. Cash flow from financing activities				
Increase/(decrease) in working capital demand loan		108,550,566		(43,701,234)
Proceeds from borrowings		6,765,131,819		12,212,055
Repayment of other borrowings		(102,463,840)		(1,500,000,000)
Proceeds from issue of share capital		-		191,313,840
Dividend paid during the year (including dividend tax)		(428,965,256)		(429,213,964)
Proceeds from issue of shares to minority shareholders in subsidiaries		6,610,000		98,323,750
Interest expenses		(64,292,864)		(3,580,200)
Net cash generated from/(used in) financing activities		6,284,570,425		(1,674,645,753)
Net increase in cash and cash equivalents		1,182,389,097		2,142,291,799
Cash and cash equivalents (opening balance)		5,551,018,728		3,408,726,929
Cash and cash equivalents (closing balance)		6,733,407,825		5,551,018,728

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 (Refer Schedule 6) with cash and cash equivalents is as follows

(Amount in Rupees)

	Current Year	Previous Year
Cash and cheques on hand	107,570,975	1,341,765
Bank balances in current and deposit accounts (maturity less than 3 months)	6,579,499,568	5,590,742,236
Unrealised exchange Loss/(Gain) (net) on foreign currency cash and cash equivalents*	46,337,282	(41,065,273)
Cash and cash equivalents	6,733,407,825	5,551,018,728
Bank balances:		
In deposit accounts (maturity more than 3 months)	1,359,106,629	979,053,868
Unrealised exchange (Loss)/Gain (net) on foreign currency cash and cash equivalents*	(46,337,282)	41,065,273
Cash and bank balances	8,046,177,172	6,571,137,869

*Includes loss of Rs 38,715,813 (Previous Year gain of Rs 46,848,883) accounted in Foreign Currency Translation Reserve.

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. The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard AS-3 "Cash Flow Statement".

4. Details of fixed deposits under lien are given in Schedule 9.

5. Previous year figures have been regrouped wherever necessary to correspond with the figures of the current year.

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

Rajesh K Hiranandani
Partner

Place : Mumbai
Date : 27th May, 2011

For and on behalf of the Board.

Jignesh Shah
Chairman & Managing Director

Chandrakant Kamdar
Director

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

Place : Mumbai
Date : 27th May, 2011

Financials

Schedules

Forming part of the Consolidated Accounts

(Amount in Rupees)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 1: SHARE CAPITAL			
Authorised:			
150,000,000 Equity shares of Rs 2 each		300,000,000	300,000,000
Issued, subscribed and paid up:			
46,078,537 Equity shares of Rs 2 each fully paid up		92,157,074	92,157,074
Notes:			
a) Of the above			
i) 33,000,494 Equity shares of Rs 2 each fully paid-up have been allotted for consideration other than cash pursuant to schemes of amalgamation.			
ii) 538,630 Equity shares of Rs 2 each fully paid-up have been allotted to the employees under employee stock option ('ESOP') schemes.			
iii) 1,662,811 Equity shares of Rs 2 each fully paid-up have been allotted against Global Depositary Receipts (GDR) issued by the Parent Company.			
b) Particulars of options on unissued capital (Refer Notes 6 and 22 to Schedule 18-II)			
TOTAL		92,157,074	92,157,074
SCHEDULE 2: RESERVES AND SURPLUS			
Capital reserve			
Balance as per last balance sheet		14,759,312	14,759,312
Capital reserve on consolidation			
Balance as per last balance sheet	8,011,300		8,011,300
Add: Group's share of Securities Premium received on issue of Compulsory Convertible Preference Shares during the year by an associate company (held outside the group)	107,065,515		-
		115,076,815	8,011,300
Securities premium account			
Balance as per last balance sheet	4,885,031,431		4,977,280,691
Add: Received during the year on issue of shares under ESOP	-		190,924,040
	4,885,031,431		5,168,204,731
Less: Provision for premium payable on redemption of ZCCB [including prior period Rs Nil (Previous Year Rs 104,798,151) (net of tax of Rs 150,513,211 (Previous Year Rs 145,812,157)]	302,566,883		283,173,300
		4,582,464,548	4,885,031,431
General reserve			
Balance as per last balance sheet	3,108,184,864		2,756,433,474
Add: Transferred from Profit and Loss account	124,000,000		350,000,000
Add: Group's share of changes in associates equity not included in profit and loss account	-		1,751,390
		3,232,184,864	3,108,184,864
Statutory Reserve			
Balance as per last balance sheet	411,909		155,343
Add: Movement during the year	755,442		256,566
		1,167,351	411,909
Foreign currency translation reserve			
Balance as per last balance sheet	80,883,100		471,506,907
Add/(Less): Movement during the year	29,958,414		(390,623,807)
		110,841,514	80,883,100
Profit and loss account		7,404,653,245	9,326,589,789
TOTAL		15,461,147,649	17,423,871,705

Schedules

Forming part of the Consolidated Accounts

(Amount in Rupees)

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 3: SECURED LOANS		
Working capital demand loans from banks (Refer Note 1 below)	129,849,332	21,298,766
Term loan from banks (Refer Notes 2, 3 and 4 below)	1,525,532,167	101,474,720
TOTAL	1,655,381,499	122,773,486

Notes:

1. Secured by hypothecation of stocks and book debts of National Bulk Handling Corportaion Limited.
2. Includes loan of Rs 563,000,000 (Previous Year Rs Nil) secured against first charge by way of hypothecation of stock of raw materials, semi finished and finished goods, consumables, stores and spares and such other movables including book debts, bill whether documentary or clean, outstanding monies, receivables both present and future of National Spot Exchange Limited.
3. Includes loan of Rs 962,532,167 (Previous Year Rs Nil) secured by pledge of Warehousing Receipts and commodities, due within one year of National Bulk Handling Corporation Limited.
4. Includes loan of Rs Nil (Previous Year Rs 101,474,720) secured by guarantee by the Parent Company and collateral security deposit of an equivalent amount.

	As at 31.03.2011	As at 31.03.2010
SCHEDULE 4: UNSECURED LOANS		
Zero coupon convertible bonds (ZCCB) (Refer Note 22(a) to Schedule 18-II)	4,040,825,000	4,085,170,000
From Banks (Refer Note 12 to Schedule 18-II)	5,134,750,000	5,302,053
From Others	3,020,672	8,378,540
TOTAL	9,178,595,672	4,098,850,593

Financials

(Amount in Rupees)

SCHEDULE 5: CONSOLIDATED FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.2010	Additions for year	Deletion/ Adjustments	Cost as at 31.03.2011	Upto 31.03.2010	For the year	Deletion/ Adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Tangible Assets										
Freehold Land	477,787,360	42,417,192	-	520,204,552	-	-	-	-	520,204,552	477,787,360
Leasehold Land	70,326,464	-	1,650,977	68,675,487	3,765,680	1,892,469	882,859	4,775,290	63,900,197	66,560,784
Building	51,736,402	2,514,409,280	44,819,782	2,521,325,900	4,351,496	14,138,545	-	18,490,041	2,502,835,859	47,384,906
Improvement to Leasehold Premises	110,616,693	47,678,041	75,710	158,219,024	70,362,424	28,354,365	27,817,387	70,899,402	87,319,622	40,254,269
Networking Equipment	917,232	50,477,298	1,129,059	50,265,471	358,228	3,057,177	260,082	3,155,323	47,110,148	559,004
Equipment (Refer note no. 3)	549,357,869	373,375,933	55,249,472	867,484,330	184,433,871	104,934,461*	30,476,272	258,892,060	608,592,270	364,923,998
Furniture and Fittings	116,863,280	342,398,146	21,023,930	438,237,496	33,231,675	27,446,963*	17,139,569	43,539,069	394,698,427	83,631,605
Vehicles	44,327,215	16,185,668	8,257,133	52,255,750	9,195,374	4,966,738	4,566,501	9,595,611	42,660,139	35,131,841
SUB TOTAL	1,421,932,515	3,386,941,558	132,206,063	4,676,668,010	305,698,748	184,790,718	81,142,670	409,346,796	4,267,321,214	1,116,233,767
Intangible Assets (Other than internally generated)										
Trade Mark	3,015,953	64,500	-	3,080,453	762,606	315,480	-	1,078,086	2,002,367	2,253,347
Technical Know-how	1,433,413	-	-	1,433,413	833,089	133,516	-	966,605	466,808	600,324
Computer Software	261,941,827	59,870,850	48,421,540	273,391,137	66,765,874	104,768,292	14,760,270	156,773,896	116,617,241	195,175,953
SUB TOTAL	266,391,193	59,935,350	48,421,540	277,905,003	68,361,569	105,217,288	14,760,270	158,818,587	119,086,416	198,029,624
TOTAL	1,688,323,708	3,446,876,908	180,627,603	4,954,573,013	374,060,317	290,008,006	95,902,940	568,165,383	4,386,407,630	1,314,263,391
Previous Year	1,126,921,222	793,716,876	232,314,390	1,688,323,708	266,450,806	163,915,512	56,306,001	374,060,317	1,314,263,391	
Capital work-in-progress includes capital advances Rs 399,795,175 (Previous Year Rs 10,748,538)									676,740,501	1,921,888,829
TOTAL									5,063,148,131	3,236,152,220

*Includes provision for impairment of fixed assets Rs 10,460,527 (Previous Year Rs Nil)

Note:

1. Capital Work in Progress including capital advances is in respect of land, building and improvement thereto etc.
2. Capital work in Progress as at 31st March, 2010 included purchase of agricultural land aggregating Rs 498,833,045 which has been sold during the year.
3. Equipment includes "office equipment, computer hardware, fumigation and laboratory equipment".
4. Exchange difference (loss) (net) included in Capital work in progress Rs 5,204,115 (Previous Year Rs 68,756,597) and Fixed Assets Rs 46,695,953 (Previous Year Rs 627,033) pursuant to amended Accounting Standard 11 The Effects of changes in Foreign Exchange Rates. (Refer Note 19 to Schedule 18-II)
5. Building includes Rs 84,318,294 (Previous Year Rs Nil) on long term lease of 95 years, pending registration.
6. Exchange differences on account of translation of foreign subsidiaries' and joint venture's fixed assets into Rupees, included under adjustment for the year is Rs 29,397,180 (Previous Year Rs 31,802,122) in gross block and Rs 6,288,166 (Previous Year Rs 12,246,911) in depreciation/amortisation.

Schedules

Forming part of the Consolidated Accounts

(Amount in Rupees)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 6: INVESTMENTS			
Investment in Associates (Refer Note 15 to Schedule 18-II)		2,912,236,695	2,343,147,432
Long term [at cost (unless otherwise stated)]			
In equity shares (Refer Note 16 to Schedule 18-II)	174,275,553		1,450,941,903
Less: Provision for other than temporary diminution in the value of Investments	-		(45,600,000)
		174,275,553	1,405,341,903
In Warrants (Refer Note 14 to Schedule 18-II)		562,460,000	562,460,000
In Government and other securities		406,141,000	362,861,000
Current (at lower of cost and fair value)			
In equity shares	241,580,541		239,353,241
In units of mutual funds	7,776,331,474		8,269,526,389
		8,017,912,015	8,508,879,630
Application money paid for Mutual Fund Units		102,204,445	-
Share application money paid towards equity shares		490,000	-
TOTAL		12,175,719,708	13,182,689,965
Notes:			
1. Aggregate value of quoted current investments (net of diminution)	10,904,988		14,260,369
2. Aggregate carrying value of quoted Long Term Investments	200,667,340		200,520,000
		211,572,328	214,780,369
3. Market value of quoted investments		224,872,328	231,960,369
4. Aggregate value of unquoted Investments (net of other than temporary diminution)		11,964,147,380	12,967,909,596
SCHEDULE 7: INVENTORIES			
Packing materials		468,124	104,686
Stores and spares		32,076,742	28,695,042
Finished Goods (comprising traded goods and goods for procurement services)		1,511,793,381	19,799,085
TOTAL		1,544,338,247	48,598,813
SCHEDULE 8: SUNDRY DEBTORS			
Debts		1,574,779,761	595,361,030
Less: Provision		106,913,439	66,424,136
TOTAL		1,467,866,322	528,936,894
Notes: Sundry debtors includes:			
Considered good		1,467,866,322	528,936,894
Considered doubtful		106,913,439	66,424,136
		1,574,779,761	595,361,030
SCHEDULE 9: CASH AND BANK BALANCES			
Cash		569,211	1,341,765
Cheques on hand		107,001,764	-
Bank Balances:			
i) In current accounts (Refer Note 11(b) to Schedule 18-II)		1,528,059,268	2,163,337,920
ii) In deposit accounts*		6,410,546,929	4,406,458,184
TOTAL		8,046,177,172	6,571,137,869

*includes fixed deposits under lien with banks Rs 76,232,210 (Previous Year Rs 177,007,077)

Financials

Schedules

Forming part of the Consolidated Accounts

(Amount in Rupees)

		As at 31.03.2011	As at 31.03.2010
SCHEDULE 10: OTHER CURRENT ASSETS			
Interest accrued on bank fixed deposits		56,303,316	42,153,856
Interest accrued on investments		16,877,398	2,895,763
Dividend accrued on investments		3,696,034	-
Interest receivable on loans		13,367,723	-
TOTAL		90,244,471	45,049,619
SCHEDULE 11: LOANS AND ADVANCES			
Loans	241,710,315		96,653,173
Advances recoverable in cash or kind or for value to be received (Refer Note 10 to Schedule 18-II)	1,546,729,009		778,755,322
Advance income tax including tax deducted at source (net)	1,686,343,483		612,181,487
Premises and other deposits	141,405,756		229,838,704
		3,616,188,563	1,717,428,686
Less: Provision		1,321,378	9,908,628
TOTAL		3,614,867,185	1,707,520,058
Notes:			
1. Loans and advances includes:			
a) Considered good		3,614,867,185	1,707,520,058
Considered doubtful		1,321,378	9,908,628
		3,616,188,563	1,717,428,686
b) Rs 126,788,894 (Previous Year Rs 222,272,492) paid as deposits towards premises taken on lease.			
SCHEDULE 12: CURRENT LIABILITIES			
Advance received from members towards:			
- Application money (pending admission)	9,545,470		7,795,753
- Security deposits	15,181,000		1,014,344
- Network equipment deposits	330,000		400,300
- Trading margin from members	1,319,421,805		585,075,429
- Other liabilities	11,238,280		49,203,798
		1,355,716,555	643,489,624
Sundry creditors		1,434,265,788	971,091,274
Settlement Guarantee Fund (Refer Note 11(a) to Schedule 18-II)		4,068,521	2,000,000
Unclaimed dividends*		6,386,494	5,498,902
Unearned revenue/income received in advance		628,450,162	213,961,905
TOTAL		3,428,887,520	1,836,041,705
*No amount due and outstanding to be credited to Investor Education and Protection Fund.			
SCHEDULE 13: PROVISIONS			
For taxation (including wealth tax) (net)		15,466,199	11,548,196
For premium on redemption of ZCCBs (Refer Note 22(b) to Schedule 18-II)		1,769,909,134	1,316,829,040
For fringe benefit tax (net)		58,685	60,910
For employee benefits		165,837,861	139,303,655
Proposed dividend (including tax)		107,107,255	107,819,169
TOTAL		2,058,379,134	1,575,560,970

Schedules

Forming part of the Consolidated Accounts

(Amount in Rupees)

		Current Year	Previous Year
SCHEDULE 14: SALES/OPERATING INCOME			
Products (IPR based - license)		910,964,927	840,968,783
Services (Project based)		1,098,046,563	853,848,929
Sale of goods (Trading)		69,987,280	257,577,954
Income from procurement services		159,724,059	63,479,057
Storage and allied services		1,135,146,823	877,354,969
Service charges		160,510,851	110,635,858
Interest relating to NBFC activities		26,013,646	9,476,862
Membership admission fees		78,112,112	38,030,176
Annual subscription fees		9,704,972	7,531,750
Delivery fees		86,962,825	49,712,407
Transaction fees		69,110,193	30,278,570
Income from Derivatives on Commodity Futures (net)		-	1,397,590
TOTAL		3,804,284,251	3,140,292,905
SCHEDULE 15: OTHER INCOME			
Dividend from:			
- Long term investments	9,362,500		5,690,000
- Current investments	389,716,540		314,497,829
		399,079,040	320,187,829
Interest from:			
- Bank on deposit accounts	116,407,583		237,293,767
- Investments	28,669,212		11,723,459
- Others	59,881,876		10,295,522
		204,958,671	259,312,748
Business Support Services		138,000,000	138,000,000
IT Infrastructure sharing income		9,602,923	11,170,101
Profit on sale of partial stake in an associate company (Refer Note 5 to Schedule 18-II)		185,841,906	2,368,281,250
Profit on sale of investments (net)			
- Long term investments	428,157,840		-
- Current investments	76,303,769		149,637,175
		504,461,609	149,637,175
Training, Certification and Franchise fees		2,987,369	41,798,120
Profit on sale of fixed assets (net)		-	14,685,187
Reversal of write down in value of investments (net)		4,766,287	-
Exchange rate fluctuations (net)		121,573,095	-
Miscellaneous income (Refer Note 8(b) to Schedule 18-II)		132,291,094	112,477,946
TOTAL		1,703,561,994	3,415,550,356

Schedules

Forming part of the Consolidated Accounts

(Amount in Rupees)

		Current Year	Previous Year
SCHEDULE 16: OPERATING AND OTHER EXPENSES			
Payment to and provisions for employees:			
Salaries and bonus	2,477,596,535		2,047,757,732
Contribution to provident fund and other funds	87,175,800		63,294,777
Gratuity	27,568,800		20,648,023
Staff welfare expenses	44,931,118		19,636,120
		2,637,272,253	2,151,336,652
Stores, spares, consumables and packing materials		66,781,533	103,264,835
Electricity		54,266,070	57,924,410
Advertisement expenses		15,093,135	20,833,573
Business promotion/development expenses		186,482,422	108,463,675
Brokerage and commission charges		15,289,484	34,157,205
Managed Services Charges		1,143,513	1,574,282
Rent (Refer Note 8(a) to Schedule 18-II)		739,816,934	708,592,943
Service charges		26,516,292	27,097,766
Repairs and maintenance		43,577,790	19,633,140
Travelling and conveyance		92,806,228	97,689,903
Communication expenses		107,123,052	97,876,180
Insurance		38,748,180	33,878,517
Write down in value of current investments		-	14,004,584
Donation		64,762,257	74,725,400
Printing and Stationery		17,416,242	22,177,818
Irrecoverable debts/advances written off	25,509,594		1,631,942
Less: Provision held	6,947,250		-
		18,562,344	1,631,942
Loss on disposal/write off of fixed assets (net)		20,501,246	733,084
Data fees expenses		64,012,806	53,243,565
Security Charges		67,014,633	69,689,166
Contribution to Fidelity Fund (Refer Note 13 to Schedule 18-II)		70,562,018	-
Legal and professional charges		255,851,500	192,643,528
Preliminary expenses written off		136,875	40,316
Provision for doubtful debts/advances		40,677,423	18,657,120
Membership and subscription fees		10,674,312	12,949,830
Sponsorships and seminar expenses		30,207,227	43,016,908
Labour charges		40,111,613	41,023,758
Software Development Expense		15,047,364	29,781,359
License fees		2,263,756	5,540,052
Rates and taxes		22,339,610	27,708,367
Software support charges		140,543,695	77,969,866
Loss from Hedging (net)		21,163,944	-
Exchange rate fluctuations (net)		-	266,700,407
Miscellaneous expenses		292,041,303	166,380,685
TOTAL		**5,218,807,053**	**4,580,940,836**

		Current Year	Previous Year
SCHEDULE 17: INTEREST			
Interest on:			
- Fixed loans		32,641,862	2,898,546
- Others		38,684,646	681,654
TOTAL		**71,326,508**	**3,580,200**

Significant Accounting Policies

and Notes to Consolidated Accounts

SCHEDULE 18

I. Statement of Significant Accounting Policies

A. Basis of preparation of Financial Statements

The consolidated financial statements of Financial Technologies (India) Limited ('the Parent Company') and its subsidiary companies, associate companies and joint venture companies (Refer Note 1 to Schedule 18-II for list of entities included in consolidated financial statements) (the Parent Company and its subsidiaries constitute 'the Group') have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India.

The financial statements of subsidiaries, associates and joint venture companies used in the consolidation are drawn up to the same reporting date as that of the Parent Company, viz March 31, 2011.

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 amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known/materialize.

C. Principles of Consolidation

The consolidated financial statements have been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements", Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS-27) "Financial Reporting of Interests in Joint Ventures" as notified under the Companies (Accounting Standards) Rules, 2006 on the following basis:

1) Investments in Subsidiaries:

a) The financial statements of the Parent Company and its subsidiaries are combined on line-by-line basis by adding together the book values of like items of the assets, liabilities, income and expenses, after elimination of intra group balances, intra group transactions and unrealized profits or losses on balances remaining within the Group. These financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

b) In case of foreign subsidiaries, being non-integral foreign operations, translation of financial statements for consolidation is done in accordance with the policy stated in Note L below.

c) The difference between the cost of investment in the subsidiaries, over the share of equity in the subsidiaries, on acquisition date, is recognized in the financial statements as goodwill or capital reserve, as the case may be.

d) Minority interest in the net assets of consolidated subsidiaries consists of:

i. The amount of equity attributable to minorities at the date the parent-subsidiary relationship came into existence.

ii. The minorities share of movement in equity since the date the parent-subsidiary relationship came into existence.

e) Minority interest's share of net profit/loss of consolidated subsidiaries is identified and adjusted against the profit of the group. Minority interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and equity of the Parent Company's shareholders.

2) Investments in Associate Companies:

a) The consolidated financial statements include the share of profit/loss of associate companies, accounted under the 'Equity method' under which the Group originally records its investment at cost and the carrying amount is increased/decreased to recognise the Group's share of profits/losses/changes directly included in associate's equity after the date of acquisition. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

b) The difference between the cost/carrying value of investment in the associates and the share of net assets at the time when Parent – Associate relationship comes into existence is identified as goodwill or capital reserve, as the case may be and included in the carrying amount of investment and disclosed separately.

3) Investments in Joint Venture Companies:

The Group's interest in joint venture companies is accounted using proportionate consolidation method and translated (in case of non integral foreign joint venture company) using the translation principles stated in Note L below.

D. 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.

E. Intangible Assets

Intangible assets are recognized 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 amortization and impairment loss, if any.

F. 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

Significant Accounting Policies

and Notes to Consolidated Accounts

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. All other borrowing costs are charged to revenue.

G. 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 recognized as expenses/income on a straight line basis over the lease term in accordance with the respective lease agreements.

H. Depreciation and Amortization

a) Depreciation and amortization is provided for on straight line basis, except as stated in (b) and (c) below, and is based on the following useful lives as per Schedule XIV/as estimated by the management:

Assets	Estimated useful life
Building	58 years
Leasehold improvements	Over the period of lease or over 3 years in case of DGCX and GBOT
Premium on leasehold land	Over the period of lease
Office equipments (excluding computer hardware)	3-21 years
Computer hardware	3-6 years
Furniture and fittings	3-16 years
Vehicles	11 years
Trade mark and Copyrights	5-10 years
Technical knowhow	6 years
Computer software	3-6 years

b) In IBS Forex Limited, depreciation, excluding leasehold improvements, is provided for on written down value method at the rates and in the manner prescribed in Schedule XIV of Companies Act, 1956. However, the impact of such difference in policy is not significant.

c) Goodwill arising on consolidation is not amortised but is tested for impairment in accordance with the accounting policy stated in para P below.

I. Investments

Current investments are carried at the lower of cost and fair value. Long-term investments other than in Associates 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. Associates are accounted using the equity method as stated in policy C(2) above. The difference between carrying amount of the investments determined on the basis of average cost and sale proceeds, net of expense, is recognised as profit or loss on sale of investments.

J. Revenue Recognition

a) Revenue is recognized when no significant uncertainty as to determination and realization exists.

b) Revenues are stated net of returns, trade discounts, VAT, lease tax and service tax wherever applicable.

c) Sales include sale of products (licenses), services (contracts) and traded goods. Revenue from sale of licenses for the use of software applications is recognized on delivery/granting of right to use.

Revenue from fixed price service contracts is recognized 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 recognized 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 recognized proportionately over the period in which the services are rendered/licenses are leased.

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

d) Income from Procurement service charges are levied on value of procurement and are recognized on accrual basis on completion of procurement and processing activity. Commitment fees are recognized up front on receipt as per the terms of agreement with clients.

e) In case of exchange related business, Admission fees (non refundable) to the exchange collected from new members for joining the exchange are recognized when the membership is approved. Advances against membership application are only recognized as income when the application has been approved. Annual subscription fees (non refundable) are collected from members and accrued annually. Transaction fees are charged to members based on the volume of transactions entered into by the members through the exchange. These are accrued when orders placed by members on the network are matched and confirmed. Revenue from terminal charges is accrued on creation of new chargeable user identification.

f) Delivery fees relating to NSEL are charged to members on the basis of trades executed. In case seller members, delivery fees are recognized on accrual basis and in case of buyer members, delivery fees are recognized at the time of withdrawals of commodities from the exchange/exchange accredited warehouses.

g) Income from consultancy services is recognised when the services are provided.

h) Service charges include income from various services viz. collateral management services, delivery fees, POS service charges, gateway service charges, demat, revenue from broking, commission, revenue sharing income, coaching and training fees, internet telecommunication charges, data fee and message services which are recognized as and when

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services are rendered and in the case of gateway service income, on completion of the transaction.

i) Storage charges are accrued as income on the completion of storage cycle.

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

k) Income from derivatives comprises of profit/loss on buy/sell of commodity derivative instruments. Profit/Loss on commodity derivative transactions is accounted for on final settlement or on squaring up of contracts. Profit or Loss is calculated as the difference between settlement/squaring up price and the contract price.

K. Stock based Compensation

The compensation cost of stock options granted by the Group is measured by the intrinsic value method, i.e. the difference, if any, between the market price/fair value, as the case may be, of the underlying shares on the date of the grant of options and the exercise price to be paid by the option holders, is amortised uniformly over the vesting period of the options. (Refer Note 6 to Schedule 18-II).

L. 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 amortized to the profit and loss account over the balance life of the long-term monetary item, however, period of amortization does not extend beyond March 31, 2011.

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

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

Foreign Operations

The translation of the financial statements of non integral foreign operations (including branches) 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.

d) Foreign subsidiaries (non-integral foreign operations) financial statements are prepared in the currency of country in which they are domiciled except when another currency is considered appropriate based on revenue and cost stream.

M. Employee Benefits

a) Post employment benefits and other long term benefits

Payments to defined contribution retirement schemes viz. provident fund and employee state insurance 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 balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become 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 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 recognized 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.

N. Income Taxes

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax and wealth 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 Group 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 recognised 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 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 realized.

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 recognized as an asset in accordance with the recommendations

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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 profit and loss account and shown as MAT Credit Entitlement. The Group 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.

O. Inventories

Inventories are valued at lower of cost on First in First out (FIFO) basis or net realizable value. Cost comprises of cost of purchase and other costs incurred in bringing the inventories to their respective present location and condition. In case of defective and obsolete items, due allowance is estimated and provided for wherever necessary.

Packing materials - Fumigation Sheets and Dunnage: Fumigation sheets and dunnage has a useful life of three years and two years respectively. Accordingly cost of fumigation sheets and dunnages are being written off over the period of three years and two years respectively from the date of put to use.

P. Impairment of Assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group 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 profit and loss account. 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 or recoverable amount.

Q. Provisions, Contingent Liabilities and Contingent Assets

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

Significant Accounting Policies

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II. Notes Forming Part of Consolidated Accounts

1. Entities to Consolidation

The consolidated financial statements present the consolidated accounts of Financial Technologies (India) Limited with its subsidiary companies, associate companies and joint venture companies.

a) The subsidiary companies considered in the presentation of the consolidated financial statements are:

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest (Current year)	Proportion of Ownership Interest (Previous year)
1. atom Technologies Limited (atom)	India	99.62%	99.62%
2. IBS Forex Limited (IBS)	India	86.29%	76.00%
3. National Spot Exchange Limited (NSEL)	India	99.99%	99.99%
4. Indian Bullion Market Association Limited (subsidiary of NSEL)	India	*49.00%	*9.68%
5. National Bulk Handling Corporation Limited (NBHC)	India	92.68%	80.79%
6. TickerPlant Limited (TickerPlant)	India	100.00%	100.00%
7. Riskraft Consulting Limited (Riskraft)	India	100.00%	100.00%
8. Financial Technologies Middle East DMCC (FTME)	U.A.E.	100.00%	100.00%
9. Financial Technologies Projects Pvt. Ltd. (FTPPL) (w.e.f 23rd April, 2010)	Mauritius	100.00%	-
10. Capricorn Fin-Tech (Private) Limited (wholly owned subsidiary of FTME)	Bangladesh	99.99%	99.99%
11. Bahrain Financial Exchange BSC (c) (BFX) (subsidiary of FTGIPL w.e.f. 9th November, 2010, subsidiary of FTME up to 8th November, 2010)	Kingdom of Bahrain	100.00%	100.00%
12. Financial Technologies Communications Limited (FTCL)	India	100.00%	100.00%
13. Global Payment Networks Limited (GPNL)	India	100.00%	100.00%
14. FT Knowledge Management Company Limited (FTKMCL)	India	100.00%	100.00%
15. Trans-Global Credit & Finance Limited (TGCFL)	India	100.00%	100.00%
16. FT Group Investments Pvt. Ltd. (FTGIPL)	Mauritius	100.00%	100.00%
17. Bourse Africa Limited (BAL) (subsidiary of FTGIPL)	Botswana	74.00%	74.00%
18. Knowledge Assets Pvt. Ltd. (KAPL)	Mauritius	100.00%	100.00%
19. Global Board of Trade Limited (GBOT)	Mauritius	100.00%	100.00%
20. Singapore Mercantile Exchange Pte. Ltd. (SMX) (wholly owned subsidiary of FTSPL w.e.f 23rd July, 2010) (formerly subsidiary of Financial Technologies (India) Ltd.)	Singapore	100.00%	100.00%
21. Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. (wholly owned subsidiary of SMX)	Singapore	100.00%	100.00%
22. ICX Platform (Pty) Limited (ICX)	South Africa	#90.00%	#90.00%
23. Credit Market Services Limited (CMSL)	India	99.99%	99.99%
24. Apian Finance & Investment Limited	India	99.99%	99.99%
25. Takshashila Academia of Economic Research Limited (TAER)	India	100.00%	100.00%
26. FT Projects Limited (FTPL) (w.e.f. 18th May, 2010)	India	100.00%	-
27. Boursa India Ltd. (BIL)	India	100.00%	100.00%
28. BFX Clearing & Depository Corporation BSCC (Subsidiary of BFX) (w.e.f 29th March, 2010)	Bahrain	100.00%	100.00%
29. Financial Technologies Singapore Pte Limited (w.e.f 12th June, 2009)	Singapore	100.00%	100.00%

*consolidated by virtue of control over the majority of the Board of Directors as per share purchase agreement entered.
#consolidated based on audited financials as at and for the thirteen months ended 31st March, 2011
(Previous year based on audited financials as at and for the twelve months ended 28th February, 2010)

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b) The Associate companies (Refer Notes 16 and 26 to Schedule 18-II) considered in the presentation of the consolidated financial statements are:

Name of Associates	Country of Incorporation	Proportion of Ownership Interest (Current year)	Proportion of Ownership Interest (Previous year)
1. Multi Commodity Exchange of India Limited (MCX)	India	31.18%	31.18%
2. Indian Energy Exchange Limited (IEX)	India	33.49%	41.22%
3. MCX-SX Clearing Corporation Limited (MCX-SX CCL)	India	23.00%	23.00%

c) The joint venture companies considered in the consolidated financial statements based on unaudited, consolidated statements are:

Name of Entity	Country of Incorporation	Proportion of Ownership Interest (Current year)	Proportion of Ownership Interest (Previous year)
Dubai Gold and Commodities Exchange DMCC (DGCX) (including its subsidiary viz. Dubai Commodities Clearing Corporation DMCC)	U.A.E.	39.10%	39.10%

Held by the Parent Company 18.6% and FTGIPL 20.5%: (Previous Year 18.6% and 20.5% respectively)

d) In respect of the subsidiaries listed in Sr. No. 1, 2, 6, 7, 12, 14, 17, 22, 23, 25 of para a) above, financial statements have been prepared on a going concern basis, where accumulated losses aggregate Rs 1,662,374,250 which is inter alia dependent on availability of funds to finance future operation and achievement of projected higher growth; included therein, subsidiaries listed in Sr. No. 2 and 22 of para a) above, having accumulated losses aggregating Rs 30,619,861 where their auditors have drawn emphasis of matter paragraph in their report.

(Amount in Rupees)

	Current year	Previous year
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	524,262,332	445,823,264
3. Contingent Liability not provided for in respect of:		
a) Income tax demands against which the Group is in appeal [(including adjustable against Securities Premium account Rs 194,103,143 (Previous Year Rs 194,103,143)]	234,854,107	260,382,158
b) MVAT, Service tax and excise dues contested by the Parent Company. The Parent Company is hopeful of positive outcome	47,509,482	15,306,962
c) Claims not acknowledged as debt	34,700,000	-
d) Share of contingent liabilities of associates:		
i. Claims not acknowledged as debts	1,598,427	1,003,192
ii. Other than Forward Market Commission (FMC) prescribed penalties recovered from members and credited to income, pending response from FMC on representation made by an associate on FMC's Investor Protection Fund (IPF) Guidelines	44,364,284	31,756,763
iii. Income tax demands against which the associate is in appeal including interest thereon	6,670,212	6,670,212
4. Payment to auditors (excluding service tax):		
a) For audit fees	8,255,849	7,377,413
b) Other matters (such as certification work etc.)	3,960,616	4,065,580
c) For reimbursement of out of pocket expenses	1,360	46,614

5. The Parent Company, as 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 2 to 4 years time frame. The Parent Company, as part of its non-linear business model, will continue to unlock value by broadening the investor base of its ventures.

   During the year, the Parent Company sold partial investments held in a group Company. The resultant profit of Rs 185,841,906 (Previous year Rs 2,368,281,250) (net of directly attributable brokerage expenses of Rs 4,734,688 (Previous year Rs 75,468,750) is disclosed as 'Profit on sale of partial stake in an associate company' in 'Other Income' (Refer Schedule 15).

Significant Accounting Policies
and Notes to Consolidated Accounts

6. Stock based Compensation

a) Details of the options granted under stock option plans are as under:

Schemes	Grant Date	No. of Options Granted	Exercise Price	Vesting Period
ESOP 2005	October 31, 2005	440,000	981.60	31.10.2005 - 30.10.2006
			981.60	31.10.2005 - 30.10.2007
			981.60	31.10.2005 - 30.10.2008
			981.60	31.10.2005 - 30.10.2009
			981.60	31.10.2005 - 30.10.2010

Each option entitles the holder to exercise the right to apply for and seek allotment of one equity share of Rs 2 each. The intrinsic value of each option is Nil, since the options were granted at the market price of the shares existing on the date of grant. The options have vesting periods as stated above in accordance with the vesting schedule as per the said plan and have an exercise period of three to twenty four months from the respective vesting dates subject to the maximum period of five years from the date of grant of options i.e. up to October 30, 2010.

The particulars of the options granted and lapsed under the aforementioned scheme are as follows.

Particulars	ESOP 2005 (Nos.)
Options outstanding as at the beginning of the year	12,525 (207,425)
Options granted during the year	- (-)
Options exercised during the year	- (194,900)
Options lapsed/forfeited during the year	12,525* (-)
Options outstanding as at the year-end	- (12,525)
Options exercisable as at the year-end	-* (12,525)

(Previous Year figures are given in brackets)
*ESOP 2005 Scheme was valid for five year i.e until October 31, 2010, hence all the options outstanding at the beginning of the year shall stand lapsed & cancelled.

Lapsed options available for grant/re-issuance are: Nil (Previous Year: 20,685.)

b) The Group has followed the intrinsic value-based method of accounting for stock options. Had the compensation cost of the Parent Company's 'stock based compensation plan' been determined using the fair value approach, the Group's net profit for the year would have been lower by Rs 24,444,100 (Previous Year higher by Rs 30,833,206) and earnings per share would have been lower as indicated below:

(Amount in Rupees)

Particulars	Current Year	Previous Year
Net (Loss)/Profit for the year	(1,368,040,169)	1,401,105,780
Less: Total stock-based employee compensation expense determined under fair value based method	24,444,100	30,833,206
Adjusted net (Loss)/Profit for basic/diluted EPS	(1,392,484,269)	1,370,272,574
Weighted average no. of shares		
Basic	46,078,537	45,936,562
Add: Effect of dilutive options	-	3,940
Diluted	46,078,537	45,940,502
Basic and diluted earnings per share (face value Rs 2 per share)		
- As reported (in Rs) Basic	(29.69)	30.50
Diluted	(29.69)	30.50
- As Adjusted (in Rs) Basic	(30.22)	29.83
Diluted	(30.22)	29.83

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c) The fair value of each option on the date of grant / modification is Rs 483.88 / Rs 794.25 under ESOP Scheme 2005 using the Black-Scholes Option Pricing Formula considering the following parameters:

Particulars	Parent Company ESOP 2005
i) Expected volatility	64.48% to 86.41%
ii) Option life	3-5 years
iii) Dividend yield	0.41%
iv) Risk-free interest rate	5.98% to 6.41%
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	

7. The tax effect of significant timing differences that have resulted in deferred tax assets (net) and liabilities (net) are given below:

a) Breakup of deferred tax assets (net)

(Amount in Rupees)

Particulars	As at 31.03.2011	As at 31.03.2010
a) Deferred tax liability:		
Depreciation	-	3,865,740
TOTAL	-	**3,865,740**
b) Deferred tax asset:		
Carried forward Loss	-	148,366,464
TOTAL	-	**148,366,464**
Deferred tax asset (net)	-	**144,500,724**

b) Breakup of deferred tax liabilities (net)

(Amount in Rupees)

Particulars	As at 31.03.2011	As at 31.03.2010
a) Deferred tax liability:		
Depreciation	101,408,070	80,629,722
Foreign Exchange Differences related to:		
Fixed Asset	-	3,525,660
Investments	90,551,378	69,820,734
TOTAL	**191,959,448**	**153,976,116**
b) Deferred tax asset:		
Provision for doubtful debts, advances etc.	13,880,620	24,321,396
Diminution in the value of current investments	930,394	13,506,372
Employee Benefits	28,020,526	21,315,076
Tax effect on withholding Tax on ZCCB Premium adjusted against securities premium account to be claimed in tax	27,510,979@	-
Others	-	1,466,504
TOTAL	**70,342,520**	**60,609,348**
Deferred tax liability (net)	**121,616,928**	**93,366,768**

@Corresponding effect given to provision for current tax in balance sheet and no effect on profit and loss account.

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8. a) The Group has entered into agreements for non-cancellable operating leases for various premises ranging from 5 months to 36 months. The lease rentals recognized in the profit and loss account during the year and the future minimum lease payments under non-cancellable operating lease are as follows:

(Amount in Rupees)

Particulars	Current Year	Previous Year
Lease rentals (included in Schedule 16)	518,919,766	457,770,652
Obligations on non-cancellable leases		
Not later than one year	214,527,422	203,276,039
Later than one year and not later than five years	189,074,772	180,859,799
Later than five years	-	-
Sublease Income (included in Schedule 15)	609,988	-
Total Receivables on non-cancellable subleases	847,391	-

b) The Group has entered into operating lease agreements as a lessor for various premises ranging from 22 months to 36 months. The lease rentals recognized as income in the profit and loss account during the year and the future minimum lease payments under non-cancellable operating lease are as follows:

(Amount in Rupees)

Particulars	Current Year	Previous Year
Lease Income		
Lease rentals (Included in Schedule 15 'Miscellaneous Income'.)	9,961,948	-
Receivables on non-cancellable leases		
Not later than one year	34,644,240	-
Later than one year and not later than five years	71,199,422	-
Later than 5 years	-	-
Fixed Assets		
Gross Carrying amount of leased assets	1,192,456,757	-
Accumulated depreciation	8,210,318	-
Depreciation recognized	8,210,318	-

9. The Group companies viz. NBHC and NSEL carry out the activities of procurement and/or processing of commodities on behalf of principals. The activity yields a guaranteed price on delivery of these procured/processed commodities. Hence, the Companies do not have to carry price fluctuation risk related to market activity and therefore the procurement activity carried out is not in the nature of trading activity and the processing activity outsourced by the companies to the processors is also not the manufacturing activity of the said companies. The procurement activity carried out is by the companies' own/borrowed funds. The risk and rewards to the companies are operational, executional and incidental to the activities of procurement.

10. In a group company viz. NSEL, the loans and advances include Rs 94,828,691 recoverable from National Agricultural Cooperative Marketing Federation Of India Limited 'NAFED' in connection with agreement dated December 30, 2008 entered for carrying procurement activities on behalf of NAFED. In the current year, an amount of Rs 57,389,987 is received out of Rs 148,932,336 which was outstanding at the beginning of the year. Also, included in loans and advances, an amount pertaining to eventual shortfall in insurance claim recovery of Rs 100,889,700. NSEL management has had extensive discussions with NAFED officials and has filed its claims with NAFED. NSEL has also obtained a legal opinion supporting its claims that in view of any shortfall in recovery from insurance claims, it can recover such shortfall in insurance claims from NAFED. Considering the same, NSEL strongly believes that no provision is required in the financial statements in connection with these amounts.

11. a) In a group company viz. NSEL, State Agriculture Produce Market Committee 'APMC' while issuing license for establishing E-market/ Private market/spot exchange, had condition to maintain a Settlement Guarantee Fund ('SGF') to meet exchange obligations but have not given any guidelines for the constitution of the SGF. In view of such a requirement an amount of Rs 4,068,521 (Previous Year Rs 2,000,000) has been apportioned out of initial margin of the members to SGF and shown under current liabilities.

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b) In a group company viz. SMXCCL, the Settlement Guarantee Fund (SGF) is established under the clearing rules of the subsidiary company SMXCCL, a Designated Clearing House. The SGF shall be used by SMXCCL upon occurrence of a Declared Default to ensure daily or a final settlement as a result of failure of one or more Clearing Members to discharge the obligations and liabilities in accordance with these Rules.

The SGF is made up of:

i. Security deposit placements from Clearing Members to SMXCCL

ii. Insurance cover taken up by SMXCCL for meeting eventualities arising out of failure of one or more Clearing Members to discharge the obligations and liabilities

iii. Clearing capital contributed by Clearing Members

iv. Other amounts as decided by SMXCCL at its discretion

During the current year, SMXCCL has set aside an amount of US$ 1,000,000 (equivalent to Rs 44,650,000) as contribution to SGF, included in Schedule 9.

12. A group company viz. FTGIPL, has availed a Foreign Currency Loan of US$ 115,000,000 during the current year. The foreign currency loan 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 42^{nd}, 48^{th} and 54^{th} months. The loan is guaranteed by the holding company viz. Financial Technologies (India) Limited.

13. In a group company viz. SMX, contribution is made towards Fidelity Fund.

Fidelity Funds has an initial fund size of SGD 2,000,000 (equivalent to Rs 70,562,018). The assets of the funds are kept separate from all other assets, and are held in trust for the purposes set out in the Securities and Futures Act, Singapore.

The purposes of Fidelity Funds 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:
   1. in the course of, or in connection with the trading of a futures contract;
   2. by a member of an approved exchange or by any agent of such member, and;
   3. 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 a 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 a member.

During the current year, SMX has transferred an amount of SGD 2,000,000 (equivalent to Rs 70,562,018) as contribution to Fidelity Fund.

14. Consequent to capital reduction and issue of warrants to the Parent Company and its associate company Multi Commodities Exchange of India Limited (MCX) (in which the Parent Company has 31.18% equity holding) against their holding of equity shares in MCX Stock exchange Limited (MCX-SX) of face value of Rs 562,460,000 and Rs 617,135,000 respectively in compliance with a Court sanctioned scheme in March, 2010, the Parent Company and MCX, based on independent legal/tax counsel's opinion continue with their stand of no tax liability arising consequent to the same and therefore no tax liability has been determined or recognized in the financial statements.

The Parent Company and MCX have investments in equity shares and warrants of MCX-SX aggregating Rs 589,625,000 and Rs 634,170,000 respectively. At the close of the year, although the commercially viable business of MCX-SX is yet to commence and profitability yet to be achieved, MCX-SX has a positive Net Worth. The Parent Company and MCX believe that the business of MCX-SX would be profitable when it receives SEBI's permission for its proposed activities of dealing in interest rate derivatives, equity, futures and options on equity and wholesale debt segments and all other segments which is pending. These investments are, in the opinion of the management of respective companies, considered to be good and valuable, and not due for any provisioning.

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15. The particulars of investment in associates as of March 31, 2011 are as follows (Refer Note 16 below):

The capital reserve and carrying amount of investment in associates as at March 31, 2011 is as follows:

(Amount in Rupees)

Name of the Associates	Capital Reserve	Carrying Amount
Multi Commodity Exchange of India Limited (MCX)	-	2,584,528,545
	(-)	(2,167,195,071)
Indian Energy Exchange Limited (IEX)	109,261,041	264,965,112
	(2,195,526)	(115,500,834)
MCX-SX Clearing Corporation Limited (MCX-SX CCL)	-	62,743,038
	(-)	(60,451,527)

16. A Group company viz. FTME 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 current investment in equity shares in Schedule 6 is US$ 5,000,000 (equivalent to Rs 226,276,769) [Previous Year US$ 5,000,000 (equivalent to Rs 225,092,872)]. 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. Pursuant to erstwhile shareholder viz. 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 share purchase agreement. The Arbitrator vide his award dated April 14, 2011 allowed the Claim of FTME and directed Audit Control and Expertise Global Limited (ACE) and Mr. Andre Soumah, Chairman of ACE to pay FTME US$ 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. Considering the intention of Management, to hold temporarily, the same has not been considered for equity method of accounting in Consolidated Financial Statements.

17. An associate company viz. MCX (in which the Company has 31.18% equity shareholding and is accounted by the Parent Company under the equity method of accounting) does not treat member's margins and income thereon as part of SGF as contemplated under the Forward Market Commission (FMC) guidelines of SGF issued in 2006 and therefore credits the said income (amount unascertained) to profit and loss account. Representations have been made to FMC and a response is awaited.

18. During the year ended March 31, 2010, the Parent Company had sold 71,875,000 equity shares of Re 1 each in MCX Stock Exchange Limited (an unlisted entity) for an aggregate consideration of Rs 2,515,625,000 to a Financial Institution ('Purchaser'). The said sale was subject to a price reset and interest. During the last quarter of the year, the Purchaser exercised its right and the Parent Company accordingly paid an amount of Rs 1,796,875,000 as price reset and Rs 294,774,914 as interest which being an exceptional item has been accordingly disclosed. Consequently the tax provision of Rs 710,951,806 is written back.

19. In an earlier year, the Parent Company adopted the option offered by the notification of the Companies (Accounting Standards) Amendment Rules 2006 which amended Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates".

Pursuant to the aforesaid notification, exchange differences relating to long term monetary items have been accounted for as described in accounting policy "L" of Schedule 18-I above.

Accordingly, (1) cumulative foreign exchange loss (net) of Rs 51,900,068 (Previous Year Rs 69,383,630) has been adjusted to the cost of the fixed assets/capital work-in-progress and (2) Rs 26,861,438 has been credited (Previous Year Rs 364,301,775) to the Foreign Currency Monetary Item Translation Difference Account during the year [unamortized balance at the year end is Rs Nil (Previous Year credit Rs 52,086,836)]

20. **Segment Reporting**

The Group 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 Group. Inter-company transfers are accounted for at market/negotiated prices in case of transactions of special nature for which suitable alternative sources do not exist.

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 group as a whole and which cannot be reasonably allocated to any segment have been disclosed as unallocated expenses.

Significant Accounting Policies

and Notes to Consolidated Accounts

a) Primary segment: Business segments

(Amount in Rupees)

Particulars	STP Technologies / solutions	Exchange based revenue	Storage & Allied Services	Others	Elimination	Total
External revenue	2,003,980,787	279,130,401	1,133,445,361	642,588,072	-	4,059,144,621
	(1,700,263,760)	(120,904,145)	(850,353,302)	(766,518,561)	(-)	(3,438,039,768)
Less: Excise duty	4,985	-	-	-	-	4,985
	(39,405,646)	(-)	(-)	(-)	(-)	(39,405,646)
Net External revenue	2,003,975,802	279,130,401	1,133,445,361	642,588,072	-	4,059,139,636
	(1,660,858,114)	(120,904,145)	(850,353,302)	(766,518,561)	(-)	(3,398,634,122)
Inter-segment revenue	1,464,201,534	2,983,132	1,690,068	131,070,754	1,599,945,488	-
	(1,454,305,400)	(-)	(-)	(90,023,752)	(1,544,329,152)	(-)
Net Sales/Income from operations	3,468,177,336	282,113,533	1,135,135,429	773,658,826	1,599,945,488	4,059,139,636
	(3,115,163,514)	(120,904,145)	(850,353,302)	(856,542,313)	(1,544,329,152)	(3,398,634,122)
Segment result	1,828,601,464	-1,604,548,729	232,252,066	219,578,904	1,062,978,184	-387,094,479
	(1,757,312,073)	(-976,632,200)	(-22,476,005)	(47,432,955)	(1,325,993,617)	(-520,365,794)
Add: Unallocable income						1,212,019,221
						(2,859,189,649)
Less: Unallocable expenses						1,063,393,012
						(1,061,541,157)
Less: Interest expense						71,326,508
						(3,580,200)
Add: Interest Income						204,958,671
						(259,312,748)
Loss/Profit before tax and exceptional item						-104,836,107
						(1,533,015,246)
Less: Exceptional Item						2,091,649,914
						(-)
Loss/Profit before tax						-2,196,486,021
						(1,533,015,246)
Less: Provision for taxation (including taxes in respect of earlier years)						-215,614,574
						(897,410,839)
Loss/Profit after tax before minority interest and share of profit of associates.						-1,980,871,447
						(635,604,407)

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. Exchange Based segment represents trading platform for multi asset class like commodity and forex based derivatives etc. Storage and Allied services represents warehousing and collateral management services.

   b) The businesses, which are not reportable segments during the year, have been grouped under the "Others" segment. This mainly comprises of various services towards trading, procurement, process management, risk consultancy activities, Shared Business Support Services, IT Infrastructure Sharing, NBFC related activities, internet telecommunication services, and Training, Certification & Franchise Fees.

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3. Previous year figures are given in brackets and are regrouped to confirm to current year's classification and segment loss is indicated by '-'ve sign.
4. Reconciliation of Revenue with Profit and Loss account:

(Amount in Rupees)

Particulars	Current Year	Previous Year
Net Sales as per Profit and Loss Account	3,804,279,266	3,100,887,259
Add: Other Operating Income (Refer Schedule 15) (Shared Business Support Services/IT Infrastructure Sharing Income/Training, Certification and Franchise Fees/Vendor empanelment and Miscellaneous Income)	254,860,370	297,746,863
Net Sales/Income from Operations	4,059,139,636	3,398,634,122

b) **Secondary Segment: Geographical segments**

The Group 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:

(Amount in Rupees)

Particulars	Current Year	Previous Year
Net Revenue/Income from Operations		
Within India	3,894,052,025	3,319,006,664
Outside India	165,087,611	79,627,458
TOTAL	4,059,139,636	3,398,634,122

21. Related Party Disclosure

I. Names of related parties and nature of relationship

a) **Associate Companies**
1. Multi Commodity Exchange of India Limited (MCX)
2. Indian Energy Exchange Limited (IEX)
3. MCX-SX Clearing Corporation Limited (MCX-SX CCL)
4. MCX Stock Exchange Limited (up to March 18, 2010) (MCX-SX)

b) **Joint Venture**
1. Dubai Gold and Commodities Exchange (DGCX)

c) **Key Management Personnel**

Mr. Jignesh Shah : Chairman and Managing Director

Mr. Dewang Neralla : Whole-time Director

d) **Relatives of the Key Management Personnel where transactions have taken place**

Mr. Manjay Shah : Director - Business Development

e) **Entity over which key management personnel is able to exercise significant influence**

La-fin Financial Services Private Limited (La-fin)

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II. Transactions with related parties

(Amount in Rupees)

Transactions during the year	Current Year	Previous Year
1. Sales - Products (IPR Based License)		
- MCX	22,805,567	14,124,924
- MCX-SX	-	58,024,202
- IEX	-	945,132
- DGCX	34,665,642	25,717,605
2. Sales - Services (Project Based)		
- MCX	1,010,334,965	488,701,711
- MCX-SX	-	273,639,654
- IEX	29,782,939	26,365,194
- DGCX	4,826,950	7,481,319
3. Sale of traded goods		
- MCX	27,155,784	13,784,484
- MCX-SX	-	3,547,869
- IEX	5,344	-
4. Other Income		
a) Shared Business Support Services		
- MCX	96,000,000	96,000,000
- MCX-SX	-	42,000,000
b) IT Infrastructure sharing Income		
- MCX	8,812,204	8,895,872
- MCX-SX	-	1,792,486
- IEX	486,187	481,743
c) Interest Income		
- IEX	-	9,300,557
5. Rent Deposits charged to the Group by MCX		
- Amount refunded towards Rent Deposits	12,579,828	8,748,000
- Balance at the close of the year	-	12,579,828
6. Recoveries charged by the Group towards expenses		
- MCX	37,850,868	98,771,795
- MCX-SX	-	3,343,813
- IEX	2,377,337	274,028
- MCX-SX CCL	34,944	160,465
7. Reimbursement of expenses charged to the Group		
- by MCX relating to Offer for Sale by the Parent Company as part of the proposed public issue of MCX	14,549,674	-
- Other Expenses:		
MCX	114,023,434	108,056,980
MCX-SX	-	5,394,840
MCX-SX CCL	-	25,000
8. Purchase of Fixed Assets (MCX)	20,183,227	-
9. Sale of Fixed Assets		
- MCX	1,722,612	-
- MCX-SX CCL	54,676	-
- IEX	212,056	172,116,594

Significant Accounting Policies
and Notes to Consolidated Accounts

(Amount in Rupees)

Transactions during the year	Current Year	Previous Year
10. Advances as at the close of the year		
- MCX	-	14,870,597
- IEX	25,529	8,554,401
- MCX-SX CCL	-	45,348
11. Liabilities as at the close of the year		
- Sundry Creditors:		
MCX	-	33,665,537
IEX	197,513	14,455
- Unearned Revenue:		
MCX	10,905,899	17,053,079
IEX	243,759	1,041,859
DGCX	3,211,847	3,226,571
12. Sundry Debtors		
- MCX	-	82,862,377
- IEX	-	1,581,172
- DGCX	-	2,084,655
13. Investment made during the year		
Equity / Ordinary shares		
- MCX-SX CCL	-	46,000,000
14. Dividend received from MCX	63,613,965	63,613,965
15. Equity Investments reduced during the year (MCX-SX) (Refer Note 14 to Schedule 18-II)	-	562,460,000
16. Remuneration (including professional fees)		
- Jignesh Shah	96,577,633	97,323,478
- Dewang Neralla	17,665,779	14,878,899
- Manjay Shah	6,000,000	6,000,000
17. Dividend paid		
- Jignesh Shah	66,636,680	66,636,680
- Dewang Neralla	482,992	482,992
- Manjay Shah	615,344	615,344
- La Fin	97,531,344	96,936,504
18. Payment made by the Parent Company as per arbitration award (La-fin)	-	4,943,400

Note:

The Parent Company has identified Key Managerial Personnel (KMP) of the reporting enterprise as the KMP of the Group.

22. a) The holders of Zero Coupon Convertible Bonds due 2011 ('ZCCBs') have an option to convert the ZCCBs into equity shares at any time on and after January 30, 2007 up to the close of business on December 14, 2011, at an initial conversion price of Rs 2,362.68 per equity share at a fixed exchange rate on conversion of Rs 44.6738 to US$ 1, subject to certain adjustments as per the terms of the issue. Under certain conditions, the Parent Company, on or after December 20, 2007 but not less than seven business days prior to December 21, 2011, has an option to mandatorily convert the ZCCBs into equity shares, in whole, but not in part. Further, under certain circumstances, the Parent Company has the option to redeem the ZCCBs during their tenure, at their Early Redemption Amount subject to RBI regulations. Unless previously converted or redeemed or purchased and cancelled, the Parent Company will redeem them at 147.14 percent of their principal amount on December 21, 2011. As at balance sheet date 90,500 ZCCBs having face value of US$ 1,000 each outstanding have been disclosed in the Balance Sheet, as restated, as Unsecured Loan.

Significant Accounting Policies

and Notes to Consolidated Accounts

b) The movement in provision for redemption premium payable on redemption of ZCCB's in accordance with Accounting Standard (AS-29) 'Provisions, Contingent Liabilities and Contingent Assets' is as follows:

(Amount in Rupees)

Premium payable on redemption of ZCCBs	As at 31.03.2011	As at 31.03.2010
Opening Balance	1,316,829,040	887,843,584
Add: Provision during the year	453,080,094	428,985,456
Closing balance	**1,769,909,134**	**1,316,829,040**

23. **Employee benefit plans:**

i) **Defined contribution plans**

Amounts recognized as expenses towards contributions to provident fund, employee state insurance corporation and other funds by the Group are Rs 87,175,800 (Previous Year Rs 63,294,777).

ii) **Post employment defined benefit plans**

a) Gratuity Plan: The Parent Company and certain group companies make annual contribution 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. Said companies make annual contribution 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 following table sets out the status of the funded gratuity plan for the year ended March 31, 2011 as required under AS 15 (Revised):

(Amount in Rupees)

Particulars	Current Year	Previous Year
I. Change in benefit obligation		
Projected benefit obligation at the beginning of the year	86,094,634	63,291,678
Interest cost	6,457,097	5,063,327
Current service cost	24,274,225	21,576,519
Benefits paid	(6,591,487)	(1,989,884)
Actuarial (gain)/loss on obligations	(8,350,629)	(1,847,006)
Projected benefit obligation at the end of the year	**101,883,840**	**86,094,634**
II. Change in plan assets		
Fair value of the plan assets at the beginning of the year	59,250,272	38,637,338
Expected return on plan assets	4,467,913	3,071,033
Contributions	22,422,143	18,311,703
Benefits paid	(6,591,487)	(1,989,884)
Actuarial gain on plan assets	1,391,750	1,220,082
Fair value of plan assets at the end of the year	**80,940,591**	**59,250,272**
Excess of obligation over plan assets	**20,943,249**	**26,844,362**
III. Expense for the year		
Current service cost	24,274,224	21,576,618
Interest cost	6,457,097	5,063,327
Expected return on plan assets	(4,467,913)	(3,027,525)
Net actuarial (Gain)/Loss recognized	(7,942,559)	(5,176)
Gratuity cost	**18,320,849**	**23,607,244**
IV. Actual return on plan assets	**5,859,663**	**4,291,115**
V. Category of Assets as on March 31,		
Insurer managed funds	**80,940,591**	**59,250,272**
(Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned assets is not available)		

Significant Accounting Policies
and Notes to Consolidated Accounts

(Amount in Rupees)

Particulars	Current Year	Previous Year
VI. Assumptions		
Discount rate	8.25%	7.50%
Salary escalation rate	7.50%	7.50%
Expected rate of return on plan assets	8.25%	7.50%

VII. Experience adjustments	**2011**	**2010**	**2009**	**2008**	**2007**
Defined benefit obligation	101,883,840	86,094,634	63,291,678	20,208,052	17,149,451
Fair value of planned assets	80,940,591	59,250,272	38,637,338	13,867,447	9,245,229
Surplus/deficit	20,943,249	26,844,362	24,654,340	6,340,605	7,904,222
Experience adjustment on plan liabilities [(Gain)/Loss]	6,853,988	(1,882,903)	1,902,212	931,250	Not available
Experience adjustment on plan assets [Gain/(Loss)]	687,189	486,266	178,046	110,023	Not available

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.

The Group expects to contribute Rs 17,630,916 to the plan assets during financial year 2011-12.

The aforesaid disclosure is restricted to the Parent Company and available information in respect of subsidiaries.

b) The unfunded liability towards employees not covered under actuarial valuation in respect of certain subsidiaries and a joint venture company recognised aggregates Rs 43,756,260 (Previous Year Rs 26,060,600).

24. Earnings Per Share is calculated as follows

(Amount in Rupees)

Particulars	Current Year	Previous Year
a. Net (Loss)/Profit for the year (for Basic and Diluted EPS)	(1,368,040,168)	1,401,105,781
b. Weighted average number of equity shares		
Basic	46,078,537	45,936,562
Add: Effect of Dilutive Stock Options	-	3,940
Diluted	46,078,537	45,940,502
c. Basic earnings per share (Rs)	(29.69)	30.50
Diluted earnings per share (Rs)	(29.69)	30.50
d. Face value per share (Rs)	2/-	2/-

25. The aggregate amount of revenue expenditure incurred during the year on Research and Development and shown in the respective heads of the account is Rs 169,487,718 (Previous Year Rs 152,775,059).

26. During the year, the Parent Company proposed to divest part of its investments aggregating 2,643,916 (Previous Year 3,600,000) equity shares of Rs 10 (Previous Year Rs 5) each of Multi Commodities Exchange of India Limited (MCX) at a price at which MCX proposed to make a public issue. MCX has filed its Draft Red Herring Prospectus with Securities and Exchange Board of India.

27. Goodwill on consolidation includes amount aggregating Rs 94,687,676 (Previous Year Rs 78,420,737) in respect of subsidiaries acquired in earlier years and further stake acquired in current year. These entities are at various stages of executing their business plans and have continuing losses. On an evaluation of business plans for these entities, the Parent Company expects value of these investments to be unlocked at appropriate times as mentioned in Note 5 above and accordingly believes there is no impairment of goodwill.

28. Joint Venture Disclosure

a) Group's share of interest in the assets, liabilities, income and expenses with respect to JCE (each without elimination of the effects of transactions between the Group and the JCE) on the basis of unaudited financial statements of the JCE as at and for the year ended March 31, 2011:

Financials

Significant Accounting Policies
and Notes to Consolidated Accounts

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

(In Rupees)

Particulars	Amount
I. Assets	
1. Fixed Assets (net)	15,623,635
	(26,298,700)
2. Current Assets	
a) Cash and Bank Balances	614,070,134
	(584,657,058)
b) Loans and Advances	3,075,886
	(7,215,562)
c) Other Current Assets	6,892,960
	(2,839,833)
II. Liabilities	
1. Current Liabilities	612,882,062
	(493,214,434)
2. Provisions	29,311,500
	(21,555,847)
III. Income	
1. Admission Fees	7,803,734
	(13,194,186)
2. Transaction Fees	21,754,389
	(17,113,939)
3. Interest Income	14,738,656
	(7,199,581)
4. Other Income	3,439,624
	(2,120,158)
IV. Expenses	
1. Operating and Other Expenses	144,303,619
	(186,068,015)
2. Depreciation	13,247,872
	(18,211,252)
V. Contingent liabilities	-
	(-)
VI. Capital commitments	-
	(-)

Previous year figures are given in brackets.

b) The movement in Groups share of post-acquisition reserves of jointly controlled entity is as follows

(Amount in Rupees)

Particulars	Current Year	Previous Year
Proportionate Reserves and Surplus as at the beginning of the year	(73,783,766)	93,646,031
Proportionate deficit in Profit and Loss account	(109,815,088)	(164,651,403)
Movement in Translation Reserve	2,997,457	(2,778,394)
Proportionate Reserves and Surplus as at the end of the year	(180,601,397)	(73,783,766)

Significant Accounting Policies
and Notes to Consolidated Accounts

29. Open Interest in Commodity Futures as at the Balance Sheet date

Name of the commodity Future	Expiry Date	No. of Contract	No. of Units involved
Copper	29/04/2011	3	3000
Gold	05/08/2011	18	1800
Gold	05/10/2011	2	200
Gold M	05/05/2011	78	780
Gold M	04/06/2011	4	40
Lead Mini	28/04/2011	1	1000
Silver M	30/04/2011	24	120
Zinc Mini	28/04/2011	2	2000

30. Statement regarding subsidiary companies as required under section 212 of the Companies Act, 1956 pursuant to General Circular no. 2/2011 dated February 8th, 2011 issued by the Ministry of Corporate Affairs:

(Amount in Rupees)

Particulars	FT Projects Limited	IBS Forex Limited	Riskraft Consulting Limited	atom Technologies Limited	National Spot Exchange Limited	Indian Bullion Market Association Limited	National Bulk Handling Corporation Limited	Global Payment Networks Limited	Financial Technologies Communi-cation Limited	FT Knowledge Management Company Limited	Trans-Global Credit & Finance Limited	Credit Market Services Limited	TickerPlant Limited	Boursa India Limited
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange Rate as at 31.03. 2011														
Capital	500,000	70,000,000	70,000,000	332,441,250	450,000,000	171,766,730	820,000,000	10,000,000	500,000	37,500,000	500,000	52,500,000	700,000,000	500,000
Reserves	(153,480)	(13,669,023)	(63,426,814)	(433,638,775)	(95,879,523)	(22,235,690)	224,451,116	177,687	(5,309,105)	(34,203,857)	(486,607)	(51,254,617)	(844,054,471)	(103,121)
Total Assets (including investment in subsidiaries)	492,895	56,413,176	6,733,233	160,675,160	2,088,277,620	311,903,184	2,514,595,169	10,251,415	16,777,765	21,766,430	135,650	3,213,399	136,327,294	418,939
Total Liabilities	492,895	56,413,176	6,733,233	160,675,160	2,088,277,620	311,903,184	2,514,595,169	10,251,415	16,777,765	21,766,430	135,650	3,213,399	136,327,294	418,939
Details of investment (except in case of investment in subsidiaries)	-	50,386,198	-	50,000	140,890,782	15,046,000	3,296,622	9,320,927	-	-	-	-	-	-
Turnover	-	4,550	3,415,943	99,255,138	394,062,613	105,984,754	1,127,597,549	-	38,157,192	65,638,416	-	-	145,465,873	-
Profit / (Loss) before taxation	(153,480)	(722,203)	(3,799,130)	(182,065,976)	26,073,500	7,743,617	137,129,137	659,852	6,344,609	13,728,131	(40,357)	(6,698,480)	(316,367,176)	(31,637)
Provision for taxation	-	-	-	-	-	1,414,480	31,156,811	(44,370)	960,027	2,598,086	-	-	-	-
Profit / (Loss) after taxation	(153,480)	(722,203)	(3,799,130)	(182,065,976)	26,073,500	6,329,137	105,972,326	704,222	5,384,582	11,130,045	(40,357)	(6,698,480)	(316,367,176)	(31,637)
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(Amount in Rupees)

Particulars	Takshashila Academia of Economic Research Limited	Apian Finance & Investment Limited	Financial Technologies Middle East DMCC	Bourse Africa Limited	Bahrain Financial Exchange BSC (c)*	FT Group Investments Pvt. Ltd.	Knowledge Assets Pvt. Ltd.	Global Board of Trade Limited	Singapore Mercantile Exchange Pte. Ltd.	Singapore Mercantile Exchange Clearing Corporation Pte Ltd.	ICX Platform (Pty) Limited	Financial Technologies Singapore Pte Limited	Capricon Fin-Tech (Private) Limited	Financial Technologies Projects Pvt. Ltd.
Reporting Currency	INR	INR	AED	USD	BHD	USD	USD	USD	USD	USD	SAR	USD	AED	MUR
Exchange Rate as at 31.03. 2011			12.33	44.65	120.76	44.65	44.65	44.65	44.65	44.65	6.33	44.65	12.33	1.66
Capital	500,000	43,143,950	813,634,800	893,000	1,702,730,100	2,235,179,089	446,589	1,786,000,000	2,686,205,706	453,117,710	633	2,793,820,467	73,967	8,285
Reserves	(15,281,194)	13,263,511	(295,613,445)	(184,585,556)	(598,279,097)	(10,282,225)	(1,476,575)	(353,713,996)	(1,116,577,151)	(69,660,653)	(16,950,838)	(664,035)	(265,565)	(50,777)
Total Assets (including investment in subsidiaries)	16,141,970	320,889,735	658,904,230	9,877,339	1,725,795,451	7,375,595,532	255,934	1,559,678,839	165,548,269	502,852,452	9,467,822	2,793,359,500	80,624	8,285
Total Liabilities	16,141,970	320,889,735	658,904,230	9,877,339	1,725,795,451	7,375,595,532	255,934	1,559,678,839	165,548,269	502,852,452	9,467,822	2,793,359,500	80,624	8,285
Details of investment (except in case of investment in subsidiaries)	3,557,975	57,136,206	226,276,769	-	-	374,148,024	-	-	-	-	4,441,964	-	-	-
Turnover	27,595,230	23,146,820	14,134,895	-	7,690,181	18,490,056	-	6,685,311	96,244,459	213,963	6,766,877	-	-	-
Profit / (Loss) before taxation	1,127,404	11,754,419	(52,880,431)	(66,963,614)	(341,487,231)	(14,981,459)	(223,250)	(314,536,479)	(572,984,699)	(113,546,200)	(7,335,396)	(386,580)	(4,019)	(47,731)
Provision for taxation	193,000	4,930,271	-	-	-	-	-	(47,001,582)	(97,611,508)	(22,935,008)	-	-	-	-
Profit / (Loss) after taxation	934,404	6,824,148	(52,880,431)	(66,963,614)	(341,487,231)	(14,981,459)	(223,250)	(267,534,897)	(475,373,190)	(90,611,192)	(7,335,396)	(386,580)	(4,019)	(47,731)
Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

31. Figures for the previous accounting year have been regrouped/rearranged wherever necessary to correspond with the figures of the current year. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

For and on behalf of the Board.

Jignesh Shah
Chairman & Managing Director

Chandrakant Kamdar
Director

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

Place: Mumbai
Date: 27th May, 2011

Notes

Financial Technologies (India) Limited

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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 Twenty Third Annual General Meeting of the Members of Financial Technologies (India) Limited will be held on Thursday, the 29th day of September, 2011 at 10.30 A.M at Sri. P. Obul Reddy Hall (Vani Mahal), 103, G. N. Chetty Road, T. Nagar, Chennai - 600 017, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit & Loss Account for the year ended on that date, together with the Reports of the Board of Directors and Auditors thereon.

2. To confirm the payment of Interim Dividend(s) and to declare a Final Dividend on Equity Shares.

3. To appoint a Director in place of Mr. Pandurang G. Kakodkar, who retires by rotation, and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Chandrakant Kamdar, who retires by rotation, and being eligible, offers himself for re-appointment.

5. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors/Committee 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, Chartered Accountants, (ICAI Registration No. 117366W) be and are hereby re-appointed as the 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 at a remuneration as may be mutually agreed to, between the Board of Directors/Committee and M/s Deloitte Haskins & Sells and reimbursement of out-of-pocket expenses in connection with the work of audit to be carried out by them."

Special Business:

6. To consider and thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution**:

   "**RESOLVED THAT** Mr. Chaitan M. Maniar who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of the Twenty Third Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received proposing Mr. Chaitan M. Maniar as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, ('the Act') (including any statutory amendments thereto or modifications or re-enactments thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and in accordance with the Regulations/Guidelines, if any, prescribed by the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the Foreign Exchange Management Act, 1999 (FEMA), the provisions of the Issue of Foreign Currency Convertible Bonds (Through Depository Mechanism) Scheme, 1993 (including any statutory amendments thereto or modifications or re-enactments thereof for the time being in force) and the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and all other applicable Laws and Regulations framed/issued by any appropriate or statutory authority and subject to the Company obtaining all approvals, consents, permissions and sanctions as may be required from the Government of India (GOI) and the Reserve Bank of India (RBI) and all governmental or regulatory authorities and subject to such conditions and modifications as may be prescribed or imposed whilst granting such approvals, consents, permissions and sanctions; provided that such conditions and modifications as may be prescribed or imposed whilst granting such approvals, permissions and sanctions are acceptable to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include "Committee" as may be constituted by the Board), the consent and approval of the Company be and is hereby accorded to the Board for issuance of the Company's securities (as defined below) in pursuance of one or more International or Domestic Public Offerings, by way of direct issuance and allotment of shares or other securities including in the form of Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs); and/or any other security linked to shares; and/or any other convertible instruments or securities such as Bonds, Convertible Debentures, Foreign Currency Convertible Bonds (FCCBs), Convertible Warrants (hereinafter referred to as Securities) to be subscribed by Foreign/Domestic Investors including, but not limited, to Non Resident Indians (NRIs), Foreign Institutional Investors (FIIs), Qualified Institutional Buyers (QIBs), Mutual Funds, Foreign Banks, Foreign Nationals/Companies and/or Corporate Bodies and/or individuals or otherwise, whether or not such investors are Members of the Company, in any Foreign Currency or Indian Rupees, subject to such conditions as the Board / Committee may consider appropriate, provided that the amount for which the Securities are to be issued shall not exceed Rs 1000,00,00,000/- (Rupees One Thousand Crores) or its equivalent of any other Foreign Currencies in one or more tranches and shall be in accordance with all applicable laws and Regulations. The Board / Committee be and is hereby authorized subject to applicable laws and regulations to issue, the aforesaid Securities to the investors, in such manner as they may deem appropriate in their absolute discretion, including the pricing and conversion, the form and the persons to whom the Securities may be issued and all other terms and conditions connected therewith, in one or more tranches and at a market price and/or at a premium to market price(s), and if necessary, in consultation with the Lead Managers and/or Underwriters and/or other Advisors of the Company concerned with the offering, as they may deem appropriate.

RESOLVED FURTHER THAT in the event of issue of Securities by way of a Qualified Institutional Placement, the 'Relevant Date' on the basis of which the price of the securities shall be determined as specified under applicable law, shall be the date of the Meeting in which the Board or the Committee of Directors duly authorized by the Board decides to open the proposed issue of Securities or such other time as may be decided by the Board/Committee, subsequent to the receipt of shareholders' approval in terms of Section 81 (1A) and other applicable provisions, if any, of the Act and other applicable laws, regulations and guidelines in relation to the proposed issue of the Securities and allowed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") from time to time.

RESOLVED FURTHER THAT in the event of issue of Securities other than through a Qualified Institutional Placement to Qualified Institutional Buyers, the relevant date on the basis of which price of the resultant Securities shall be determined, shall be as specified under the respective applicable laws, prevalent at that time.

RESOLVED FURTHER THAT without prejudice to the generality, the issuance of the securities may have to be subject to such terms or conditions as are in accordance with prevalent market practices and applicable Laws and Regulations including but not limited to the terms and conditions relating to payment of dividend, premium, the terms of issue of additional shares or variations in the price or period of conversion of securities into equity shares or terms pertaining to voting rights or conversion rights and that the Company is also entitled to enter into and execute all such arrangements with Lead Managers, Underwriters, Guarantors, Depositories, Custodians and all such Agencies as may be involved or concerned in such offering of securities and to remunerate all such Agencies including by way of commissions, brokerage, fees or the like, also to seek the listing of such securities or securities representing the same in one or more Domestic/International Stock Exchanges, in accordance with all applicable laws and regulations.

RESOLVED FURTHER THAT the Company and/or any Agencies or Bodies as are authorized by the Board/Committee may issue Depository Receipts (including by way of GDRs or ADRs or FCCBs) represented by underlying shares in the capital of the Company or such other Securities as may be required with such features and attributes as are prevalent in International/Domestic Capital Markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices and subject to applicable laws and regulations and the Articles of Association of the Company.

RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and/or in the market and/or at the place of issue of the securities in the International market and may be governed by applicable laws.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorized to issue and allot such number of Securities as may be required to be issued and allotted upon conversion of any Securities (referred to above) or as may be necessary in accordance with the terms of the offering. The equity shares so issued and allotted upon conversion of underlying Securities shall rank in all respects pari passu with the existing equity shares of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any issuances, offerings or allotments of Securities as described above, the Board/Committee be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable, for such purpose, including without limitation, entering into arrangements for managing, underwriting, marketing, listing, trading, and appointing Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars and such other agencies and to issue any Prospectus or Offering Documents and sign the same and all other required applications, filings, deeds, documents and writings and to pay any fees, commissions, remuneration and expenses relating to the Offerings and with power on behalf of the Company to settle all questions, difficulties or doubts, that may arise in regard to such Offerings as the Board may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers described above to any Committee of Directors or to the Chairman & Managing Director or any Directors or any officers of the Company."

By Order of the Board

sd/-

Naishadh P. Desai

Sr. VP (Legal) & Company Secretary

Place: Mumbai

Date: 10th August, 2011

Notes:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 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 AM to 1.00 PM upto the date of the meeting, except holidays.

6. The Register of Members and Share Transfer Books of the Company will remain closed from **23rd September 2011 to 29th September 2011 (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.

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 22nd September 2011. 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 22nd September, 2011.

8. Those Members who have so far not encashed their dividend warrants for the financial year ended March 31, 2004 onwards, may approach the Registrar and Share Transfer Agent, M/s. KARVY Computershare 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.

9. Members are requested to notify to the Registrar and Share Transfer Agent of the Company at KARVY Computershare 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. Change in residential status from NRI to Resident Indian or vice versa
   iv. Change in particulars of NRE Bank Account with complete address

10. 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.

11. The Certificate from the Auditors of the Company certifying that the Employees Stock Option Scheme of the Company is being implemented in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, and in accordance with the resolution of the general meeting will be available for inspection to Members 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. Members holding shares in physical form are requested to get them dematerialized, as the shares of the Company are traded under compulsory demat system.

14. 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.

15. Appointment/Re-appointment of Directors: Mr. Pandurang G. Kakodkar and Mr. Chandrakant Kamdar retire by rotation at the ensuing Annual General Meeting. Both the Directors, being eligible offer themselves for re-appointment. Mr. Chaitan Maniar is being appointed as Non-Executive Independent Director of the Company. The information pertaining to Mr. Pandurang G. Kakodkar, Mr. Chandrakant Kamdar and Mr. Chaitan Maniar to be provided in terms of Clause 49 of the Listing Agreement entered into with the stock exchanges is annexed herewith.

16. As a part of Green Initiative in Corporate Governance, the Ministry of Corporate Affairs vide its Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, clarified that a company would have complied with Section 53 of the Companies Act, 1956, if the service of the document has been made through electronic mode, provided the company has obtained e-mail address of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the company. Accordingly, the members are requested to intimate their e-mail address to the Company's Registrar and Share Transfer Agent, M/s. KARVY Computershare Private Limited, in case the members wish to avail the aforesaid facility.

By Order of the Board

sd/-

Place: Mumbai
Date: 10th August, 2011

Naishadh P. Desai
Sr. VP (Legal) & Company Secretary

Explanatory Statement Pursuant To Section 173 Of The Companies Act, 1956:

Item No. 6:

Appointment of Mr. Chaitan Maniar as Director liable to retire by Rotation.

Mr. Chaitan M. Maniar was appointed as an Additional Director of the Company on 15^{th} October, 2010 pursuant to the provisions contained in Article 67 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. Accordingly, Mr. Maniar will hold office upto the date of this Annual General Meeting.

Mr. Maniar is a graduate in Commerce and Law. He has also done his M.A in Economics & Politics. Mr. Maniar has over four decades of experience in Legal Profession. He is presently a senior partner in Crawford Bayley & Co., Solicitors & Advocates.

Mr. Maniar also holds Directorship in Multi Commodity Exchange of India Ltd., MCX Stock Exchange Ltd., Food & Inns Ltd., Godfrey Phillips India Ltd, Gujarat Ambuja Exports Ltd., Hindalco Industries Ltd., Indo-Euro Investment Company Ltd., Indian Card Clothing Company Ltd., Machine Tools (India) Ltd., Pioneer Investcorp Ltd., Sudal Industries Ltd, TCPL Packaging Ltd., Varun Shipping Company Ltd., Utkal Alumina International Ltd., Vadilal Industries Ltd. (Alternate Director), Amsar Pvt. Ltd, Northpoint Training Research Pvt. Ltd.

Your Directors recommend the resolution for your approval. Except Mr. Maniar, none of the Directors of the Company are in any way concerned or interested in the resolution.

Item No. 7:

Issue of FCCBs / ADRs / GDRs / QIPs etc:

The Company continues to explore growth opportunities in domestic/overseas market to establish itself as an international player. The Company is exploring possibilities for acquisition of target companies in domestic/overseas market, to cater to future growth opportunities, the Company might require additional funds/resources for which an enabling resolution is placed before this meeting for approval. Such funds would be used for meeting the expansion, acquisitions, modernization, infrastructure projects, normal capital expenditure, general corporate purposes and restructuring of debt, as per the regulations of the authorities.

The detailed terms and conditions of the issue as and when made will be determined by the Board in consultation with the Lead Managers, Advisors, Underwriters and other experts in accordance with the terms of approval of the Government of India, Reserve Bank of India and such other authorities as may be required.

Section 81 of the Companies Act, 1956 provides inter alia that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares should be offered to the persons who at the date of the offer were holders of equity shares of the Company, in proportion to the capital paid up on those shares as of that date unless the shareholders in a General Meeting decide otherwise. Thus the consent of the equity shareholders is sought for authorizing the Board to make the proposed issue of Securities. In the event it is decided to issue securities convertible into equity shares, authorization is also sought for issuing to the holders of such convertible securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of issue.

With respect to Qualified Institutional Placement, the Special Resolution also authorizes the Board of Directors of the Company to undertake a Qualified Institutions Placement with Qualified Institutional Buyers (QIBs) in the manner as prescribed under SEBI ICDR Regulations. The pricing of the Securities to be issued to QIBs pursuant to the said SEBI Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the relevant provisions of the said SEBI Regulations.

The Resolution gives adequate flexibility and discretion to the Board to finalize the terms of the issue, in consultation with the Lead Managers, Legal Advisors, Underwriters and other Experts or such other Authorities as need to be consulted, including in relation to the pricing of the issue which will be a free market pricing and may be at a premium to the market price in accordance with the normal practice. The Resolutions also give powers to the Board/Committee to issue and market the securities issued pursuant to the domestic/international offer including the power to issue such securities in such tranche or tranches with/without voting rights.

The Board recommends the Resolution for your approval.

None of the Directors of the Company are concerned or interested in the Resolution.

By Order of the Board

sd/-

Naishadh P. Desai

Sr. VP (Legal) & Company Secretary

Place: Mumbai

Date: 10^{th} August, 2011

Details of Directors seeking Appointment / Re-appointment at the forthcoming Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

	Directors retiring by rotation, being eligible, offering themselves for re-appointment		Director Regularization
Name of Director	Mr. Pandurang Kakodkar	Mr. Chandrakant Kamdar	Mr. Chaitan Maniar
Date of Birth	10.03.1937	09.03.1942	04.12.1935
Date of Appointment on the Board	31.01.2001	23.03.2009	15.10.2010
Qualifications	M.A (Economics)	B.Com, Fellow member of the Chartered Institute of Arbitrators-U.K., Certified Fraud Examiner-USA and Certified Anti-Money Laundering Specialist-USA.	B.Com, L.L.B, M.A (Economics & Politics)
Expertise	Work spanning over four decades with State Bank of India. Handled all aspects of Banking & Finance.	Over four decades of experience in the stock exchange and financial service domain including Arbitration, Fraud Examination and Anti Money Laundering.	Over four decades of experience in Legal Profession.
Directorship held in other companies (excluding foreign and private companies)	1. Apian Finance & Investment Ltd. 2. Anand Rathi Financial Services Ltd. 3. Centrum Capital Ltd. 4. Fomento Resorts and Hotels Ltd. 5. Goa Carbon Ltd. 6. Sesa Goa Ltd. 7. Multi Commodity Exchange of India Ltd. 8. Sesa Industries Ltd. 9. Uttam Galva Steel Ltd. 10. IBS Forex Ltd. 11. Accounts Receivable Management Services (India) Ltd. 12. Auditime Information Systems (India) Ltd.	Nil	1. Multi Commodity Exchange of India Ltd. 2. MCX Stock Exchange Ltd. 3. Food & Inns Ltd. 4. Godfrey Phillips India Ltd. 5. Gujarat Ambuja Exports Ltd. 6. Hindalco Industries Ltd. 7. Indo-Euro Investment Company Ltd. 8. Indian Card Clothing Company Ltd. 9. Machine Tools (India) Ltd. 10. Pioneer Investcorp Ltd. 11. Sudal Industries Ltd. 12. TCPL Packaging Ltd. 13. Varun Shipping Company Ltd. 14. Utkal Alumina International Ltd. 15. Vadilal Industries Ltd. (Alternate Director)

Details of Directors seeking Appointment / Re-appointment at the forthcoming Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

	Directors retiring by rotation, being eligible, offering themselves for re-appointment		Director Regularization
Name of Director	Mr. Pandurang Kakodkar	Mr. Chandrakant Kamdar	Mr. Chaitan Maniar
Membership/ Chairmanship of Committees across public companies	Chairmanship: 02 Membership: 03	Nil	Chairmanship: 02 Membership: 09
Number of Shares held in the Company	2,150	Nil	Nil

Creating Markets. Unlocking Value.™

Financial Technologies (India) Limited

Regd. Office: Doshi Towers, 1st Floor, 1A & B, 156, Periyar EVR Salai, Kilpauk, Chennai 600 010.

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 Twenty Third Annual General Meeting of the Company to be held on Thursday, the 29th day of September 2011 at Sri. P. Obul Reddy Hall (Vani Mahal), 103, G. N. Chetty Road, T. Nagar, Chennai - 600 017 at 10.30 a.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.)

*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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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 Twenty Third Annual General Meeting of the Company to be held on Thursday, the 29th day of September 2011 at Sri. P. Obul Reddy Hall (Vani Mahal), 103, G. N. Chetty Road, T. Nagar, Chennai - 600 017 at 10.30 a.m. and at any adjournment thereof.

Signed this _______ day of ______________, 2011

No. of Shares held : ______________

Regd. Folio No. : ______________

DP ID/Client ID No.* : ______________

Affix
15 paise
Revenue
Stamp

____
Signature

*Applicable to the members whose shares are held in dematerialized form