ANNUAL REPORT 2013-14

CHALLE-NGE

CHANGE
RESIDES WITHIN EVERY
CHALLENGE.

Financial Technologies
Creating Markets. Unlocking Value.™

www.ftindia.com

CORPORATE INFORMATION

Board of Directors

Venkat Chary
Chairman,
Independent Non-executive Director

Jignesh Shah
Managing Director

Dewang Neralla
Whole-time Director

Manjay Shah
Whole-time Director

Justice R. J. Kochar (Retd.)
Independent Non-executive Director

A. Nagarajan
Independent Non-executive Director

S. Rajendran
Independent Non-executive Director

Registered Office

Financial Technologies (India) Ltd.

Shakti Tower-1, 7th Floor, Premises-E,
766, Anna Salai, Thousand Lights,
Chennai, Tamilnadu - 600002.
T: +91 44 4395 0850/51
F: +91 44 4395 0899

Corporate Office

Financial Technologies (India) Ltd.

FT Tower, CTS No. 256 & 257,
Suren Road, Chakala, Andheri (East),
Mumbai – 400 093, India.
T: +91 22 6686 1010
F: +91 22 6686 1050
info@ftindia.com
www.ftindia.com

Auditors

Deloitte Haskins & Sells LLP

(till 9th June 2014)

Sharp & Tannan Associates

(w.e.f. 25th June 2014)

Share Transfer Agents

Karvy Computershare Private Ltd.

17-24, Vithalrao Nagar, Madhapur,
Hyderabad – 500081, India.
www.karvy.com

Bankers

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

CHANGE RESIDES WITHIN EVERY CHALLENGE.

The challenge is to recognize the challenge and the change within. Those who do overcome this challenge, and welcome the change create opportunities for themselves.

CONTENTS

LETTER FROM CHAIRMAN'S DESK

ECONOMY & POLITY – A NEW ERA SET TO BEGIN

Under the new leadership in New Delhi, our nation will certainly witness wide-spread growth with increasing use of technology and with adequate thrust on skill development and enabled human resources.

A nation requires sustained growth in terms of economy and intellectual capital to fulfill the aspirations of its citizens in ensuring a life worth living for them. Technology, innovation, entrepreneurship and hard work - all play a momentous role in the growth story of a nation especially for India that enjoys enviable demographic advantage with more than one-fifth of the total global population. Our nation is now at the threshold of a new growth trajectory, with the new government in place with more than requisite majority following two decades of fragmented mandate that warranted infamous coalition-compulsion impeding dynamic decision-making for sustained growth. Interestingly, our new vivacious and energetic prime minister is a staunch supporter of technology, innovation, skill development and entrepreneurship in which he ardently believes and has successfully experimented before in his career. Under the new leadership in New Delhi, our nation would certainly witness speedy and all-inclusive growth with increasing use of technology and the required thrust on skill development in creating a pool of enabled human resources. Hence, we see brighter times ahead for us as a company, as we are equally sure that our persistent and passionate efforts in the realm of technology, innovation, skills and entrepreneurship for the last ten years, together with our focused approach to sustain our achievements would pay rich dividends in the coming decade.

ENVIABLE SAGA OF PREVIOUS YEARS

Ever since the beginning, it has been our motto to address the technological needs of the financial markets with utmost determination and passionate devotion that yielded more-than-desired outcome. Today, we act as one of the leading technological-enablers of the financial communities and participants with state-of-the-art software platforms. We have been enjoying an enviable market share as a LEADER in our functional domains for years together that attests to our ideological commitment to innovation and integration in pursuit of our businesses. We built multiple exchange ventures and ecosystem ventures with the thrust upon innovation which still command significant brand equity and recall value now. We invested our significant resources in developing human capital and attuning them to face the challenges in the ever-changing scenario.

LAST YEAR AS IT WAS

We will leave no stone unturned to reinvest to protect and develop the communities within which we operate.

Yes, a difficult phase continues to ensnare us in the form of a payment crisis in one of our group companies. Winston Churchill rightly said "A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty." Despite being a very challenging year, we have successfully managed in consolidating and sustaining our position. Though we had to exit a few ventures either in line with regulatory compliance or out of sound business acumen, we will leave no stone unturned to reinvest to protect and develop the communities within which we operate. Being ardent optimists, we believe that tough times never last but tough people do. Together we can and together we will for sure.

"TOGETHER WE CAN AND TOGETHER

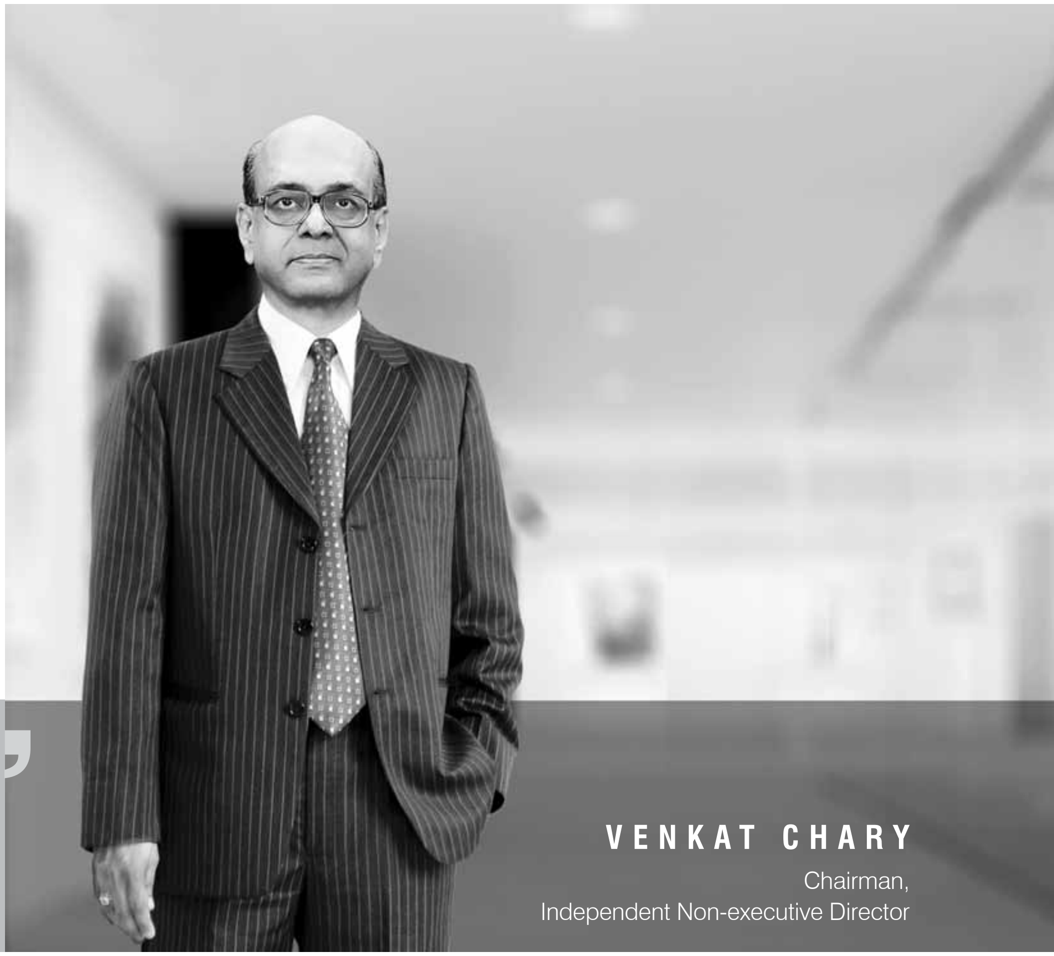
PROMISING TIMES AHEAD

We have incredible strategic advantage, great brands, enduring values, a committed work force which will ensure a brighter future.

Our achievements in the spheres of technology, exchange businesses and eco-system ventures are outstanding and nonpareil. We have an incredible strategic advantage, great brands, enduring values, committed work force which will ensure a brighter future. We have a credible past and countless opportunities which we need to explore and which will drive our Company to newer heights in the coming decade. In line with our vision statement, we reiterate our renewed commitment to harvesting intellectual capital, building a brand-centric model and leveraging strong technological platforms to promote a value-driven transaction-intensive business. While expressing my sincere gratitude for bestowing confidence in the leadership of the Company, I welcome all our stakeholders to be a part of our vibrant future.

VENKAT CHARY
Chairman, Independent Non-executive Director

WE WILL."



Dear Shareholders,

India: A New Beginning!

As I reflect on the past year, I am reminded of Gurudev Rabindranath Tagore's aptly titled poem, 'Where the mind is without fear' that best describes the enormous Change our country has been through. No matter howsoever challenging the scenario is, the wisdom lies in marching ahead with courage, conviction and confidence, unceasing attributes displayed by citizens of this great nation.

In the past couple of months, our country has witnessed Change across all quarters. This Change was much needed and was driven by the people. India has shown tremendous resilience and resurgence whenever faced with adversity. Be it socially, politically or economically. The induction of the new government at the Centre has brought hope amongst billions. The hope for better opportunities, better life, better growth and better future are common sentiments shared by us all.

> ***Where the mind is without fear***
> ***and the head is held high***
> ***Where knowledge is free***
> ***Where words come out from***
> ***the depth of truth***
>
> *- Rabindranath Tagore*

Like billions in this country, we too have instilled our faith in the government to harbinger the Change we all have been dreaming of. In the short time that the new government has been at the Centre, it has displayed the tenacity and the will to thrust an all-encompassing development and growth agenda. It has taken objective steps for keeping hope alive in all of us.

The budget announced by the Finance Minister has been inclusive in nature with a strong focus on bringing down inflation and accelerating growth to double digit figures. Integrating technology to bring about efficient governance and accountability has been one of the major highlights of the budget.

Setting up of an entrepreneurship fund for rural youth, developing of smart cities, promoting FDI in selective growth sectors, delivering on the skill development vision by setting up new IIMs and IITs across the country and establishing a Kisan TV to disseminate real time information for farmers are some of the many key initiatives taken up in the current budget.

India has demonstrated its prowess as a technological hotbed. The highest mobile and internet penetration amongst developing nations, growing e-commerce platforms, hectic pace of infrastructure development, development of world class education facilities and a renowned pharmaceutical industry, reiterate the India Shining story.

...INTO THAT HEAVEN OF FREEDOM, MY FATHER, LET MY COUNTRY AWAKE

FTIL: A New Beginning

Financial Technologies (India) Ltd. (FTIL), your Company, was launched more than two decades ago with the passion and vision to create an innovation driven technology Company to craft next generation financial markets infrastructure and make financial markets accessible to all with the click of a button. This passion and innovation continues in-satiated and lies at the core of all our businesses, people and endeavors, helping us to be the globally recognized conglomerate that we are today. As we go through some challenging times, we resolutely believe that our undying passion infused with the required Change would inspire us to tide over and emerge stronger than ever. FTIL's latent growth potential with renewed precision and perseverance will take us to newer heights in the times to come.

Where tireless striving stretches its arms towards perfection

Where the mind is led forward by thee Into ever-widening thought and action

- Rabindranath Tagore

With technology as our cornerstone, FTIL is well poised to capitalize and expand its business in various potentially high growth sectors such as Skill Development, Technology Upgradation, Technological Infrastructure for financial services, education and healthcare. We will explore leveraging our experience of delivering world class technology systems for financial markets into industry segments that have traditionally been laggard in adopting technology but can jump the curve on Cloud, Social Media, Mobile and Analytics.

Just as a caterpillar has to go through a painful transformation to begin life as a beautiful butterfly, similarly, *Change* is going to be one of the most important factor which will help us overcome our current challenges. Your Company will chart a new course of action in line with the new emerging scenario by undertaking a comprehensive and sincere review of its current portfolio of businesses. The company's vision and strength has always been to deliver exceptional technological solutions and we will continue to chart our growth story in the domain. I earnestly feel that with this rejuvenated outlook the best is yet to come for your Company. As gurudev had said in his poem "Into that heaven of freedom, my Father, let my country awake."

JIGNESH SHAH

Managing Director

STRATEGIC OVERVIEW

The year gone by has been very challenging. This would go down in the history of your Company as the most difficult year so far. As a resilient organization with a strong talent pool, a strong infrastructure in FT Tower and a strong balance sheet, your Company is confident of emerging stronger, faster and better from this challenge. It is conscious of its responsibility to create shareholder value and will work towards taking not just its existing technology business to greater heights, but also shaping FTIL into a new path.

Because of the events that unfolded, your Company has decided to go back to its technology roots and rediscover newer areas to take the company towards restoring its past glory again. Your Company has, strategically, decided to exit the exchanges/regulated businesses both in India and around the world.

We are glad to inform you that your Company retains its lead in member technology business and the exchange technology business, despite it being put under introspection, continues to serve the leading exchanges promoted by the company. Given its experience in delivering mission critical technologies for financial markets, we are confident of leveraging the same towards opening newer markets and industry segments that have traditionally lagged behind in adopting technology but can jump the curve on Cloud, Social Media, Mobile and Analytics. Further, your Company aims to consolidate its existing technology portfolio to explore opportunities globally in the financial markets.

TECHNOLOGY VERTICALS

EXCHANGE TECHNOLOGY

Exchange Solutions

- DOME
- POWER ARMS™ – Automated Risk & Matching System
- CnS
- FOVEA™ – Surveillance & Monitoring System

MEMBER TECHNOLOGY

Brokerage Solutions

- ODIN™
- NeT.net™
- iWin™
- Match™

Messaging Solutions

- STP-Gate™

Consulting Solutions

- ESG – NURTURING BUSINESS

EXCHANGE VERTICALS

Energy

IEX — Indian Energy Exchange — India's No.1 Power Exchange

International Multi-Asset Exchanges

Bourse Africa — African Markets ▲ Global Opportunities

Mauritius

BFX — Multi-Asset trading one market — Bahrain Financial Exchange

Bahrain

DGCX — Dubai Gold & Commodities Exchange

Dubai

Commodity

National Spot Exchange — Electronic Spot Market

Spot

ECOSYSTEM VERTICALS

Payments Processing

atom — the 'new way' to pay

Digital Information Broadcasting

Ticker — Bridging the Information Divide

PRODUCT OVERVIEW

Financial Technologies (India) Ltd. has emerged as a global leader in engineering technology-centric financial markets. Etching new levels of achievements in making the segment transparent and amply user-friendly, FTIL has been unprecedented in defining the progression of the trading technology space – mobile and internet based.

FTIL has gained precedence in setting new trends, extending high-end, robust and efficient support and solutions. It has amassed significant investment in devising a scalable exchange and trading technology that boasts incomparable domain expertise. Its technology has gained international acclaim for providing pivotal advantages in propelling unrivaled mass disruptive innovation. FTIL has made new inroads in the spectrum, with a distinctive standing as the architect of organized, electronic and regulated financial markets; they have been meticulously created for the new asset and investor strata that are either inadequately served or deprived of the advantage due to monetary unviability of traditional markets. FTIL has plethora of Solutions for all capital markets participants, which include Exchanges, Brokerage Houses, Fund Houses, AMCs etc. for their trading related requirements.

FTIL has enthusiastically redeemed challenges in the business sphere, thus reaped significant results. It has underpinned a few of the existing businesses while excelling to achieve lucrative growth, and exited a few ventures. It has built vital capabilities to be competitive. FTIL has elevated adeptness and acumen to determine sustained productivity.

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

✓ Available ▫ Not Available

BROKERAGE SOLUTIONS	MARKETS		
PRODUCTS*	Commodity	Equity	Currency
	FRONT OFFICE		
ODIN™	✓	✓	✓
ODIN™ Institutional	▫	✓	✓
ODIN™ Diet	✓	✓	✓
NeT.net™	✓	✓	✓
iWin™ / iWin™ Touch	✓	✓	✓
ODIN™ Program Trading	✓	✓	✓
ODIN™ Greek Neutralizer	▫	✓	✓
ODIN™ Advanced Charting	✓	✓	✓
ODIN™ ATS	✓	✓	✓
ODIN™ Atlas	✓	✓	✓
	MIDDLE OFFICE		
Protector™	✓	✓	✓
	BACK OFFICE		
e-Hastakshar™	✓	✓	✓
MATCH™	✓	✓	✓
CONNECTIVITY SOLUTIONS			
FTNET	▫	✓	✓
MESSAGING SOLUTIONS			
STP-Gate™	▫	✓	▫

✓ Available ▫ Not Available

CONSULTING SOLUTIONS				
ESG	IT Consultancy	Process Consultancy	Quality Assurance	Facility Management
RISK SOLUTIONS				
	RiskKalculator	Treasury Management	Data Collector	ADF

ODIN™ and MATCH now support international exchanges, besides major domestic markets.
ADX (Abu Dhabi), DFM (Dubai), Tadawul Stock Exchange (Saudi Arabia), DGCX (Dubai), BA (Mauritius).
*Availability of the above products is subject to regulatory approvals, if any.
ODIN™ ATS now available on both technology platforms Windows as well as Linux and it offer trading strategies for single exchange or cross exchange for Equities, Derivatives, Currency and Commodities.

BOARD OF DIRECTORS & LEADERSHIP TEAM

Board of Directors

Venkat Chary

Chairman,
Independent Non-executive Director

Jignesh Shah

Managing Director

Justice R.J. Kochar (Retd.)

Independent Non-executive Director

A. Nagarajan

Independent Non-executive Director

S. Rajendran

Independent Non-executive Director

Dewang Neralla

Whole-time Director

Manjay Shah

Whole-time Director

Leadership Team

EXCHANGE SOLUTIONS

Jigish Sonagara,

President & Head - Exchange Technology

Prakash Chaturvedi,

Vice President - Sales & Marketing

MEMBER SOLUTIONS

Rajendra Mehta,

President & Head - Member Technology

Mehmood Vaid,

Senior Vice President - ODIN™

Parag Ajmera,

Chief Business Officer - Member Technology

OPERATIONS

Madhoo Pavaskar*

Director - Research & Strategy

Pratap Polkam,

Chief Technology Officer

Paras Ajmera*

Director - Operations

Rohit Ambosta,

Chief Information Officer

Prashant Desai

President - Mergers & Acquisition and Investor Relations

Miten Mehta,

President - New Ventures and Ecosystem Platform

Devendra Agrawal

Chief Financial Officer - Finance & Accounts

Hariraj Chouhan,

Vice-President & Company Secretary - Secretarial

Shalaka Gadekar

Group Head - Human Resources

Sanjay Lopez,

Vice President - Admin - General & Procurement

Nimish Shukla

President - Corporate Affairs & Communications

**Non Board members*

FINANCIAL HIGHLIGHTS

6 YEARS AT A GLANCE | Standalone

Financial Performance

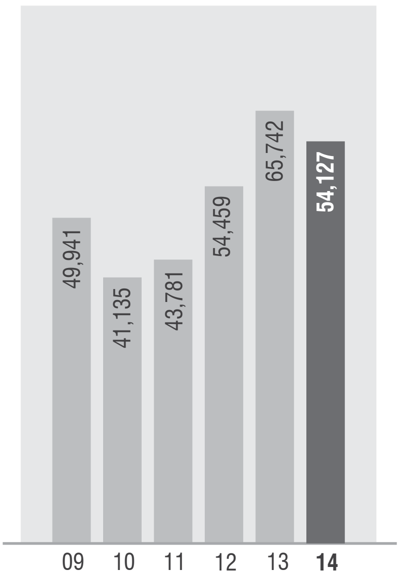
(Excluding profit on sale/redemption of shares (net), diminution in long term investments, exceptional items and provision for doubtful loans and advances to subsidiaries.)

(₹ in Lacs)

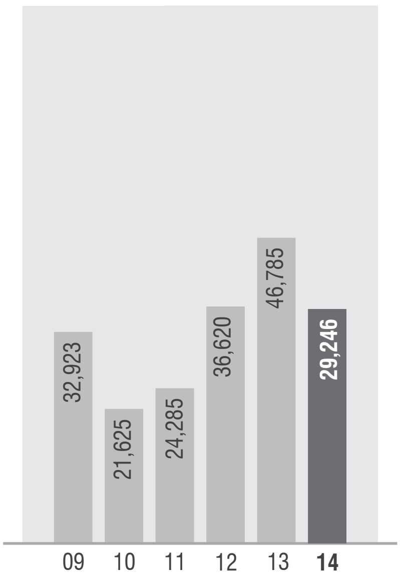
For the Financial Year Ended	2009	2010	2011	2012	2013	2014
Total Income	49,941	41,135	43,781	54,459	65,742	**54,127**
EBITDA	32,923	21,625	24,285	36,620	46,785	**29,246**
Profit After Tax	27,022	18,804	20,629	26,703	32,288	**18,297**

FINANCIAL PERFORMANCE | Standalone

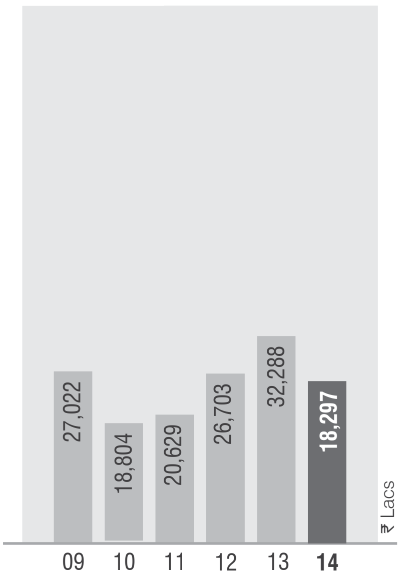
TOTAL INCOME



EBITDA



PAT



HUMAN CAPITAL OVERVIEW

Your Company went through a major crisis last year. The human resources oriented culture in the company has helped us to tide over this crisis by keeping the confidence of the employees in the strength of the business verticals intact. This ensured that our attrition did not escalate substantially, and our focus on customers and development remained constant.

One of the cornerstones of our crises management strategy has been to communicate constantly with our employees over the last one year. There were two town halls held, one by the Chairman himself addressing all the senior people across all FTIL, and one where the senior management addressed all employees at all levels together. FTIL's confidence in its ability to innovate and technological strength was reiterated. It is to be noted that 60% of our current employees have worked with the company for more than 3 years. Our attrition rate even in the year of crises i.e. 13/14 was 23% which even though slightly higher than the past few years, is still lower than comparable technology companies across India.

Financial Technologies continues to believe strongly in the ability and quality of its Human Resources, and has already started working on the next phase of FTIL's growth. FTIL treats its employees as integral partners in the organization's existence and growth.

Besides even during the times of crises, FTIL's HR department has ensured that their well-established processes continue to be honored and followed i.e. induction, training, and employee engagement initiatives especially with more focus on the CSR space. An employee development programme called STRINGS covered 45 employees. This programme builds the spirit of team work and innovation in operational work. The annual blood donation drive organized in June 2013, garnered a record 209 units of blood in a single day. As usual International Women's day was celebrated in March this year, celebrating the indomitable spirit of a woman.

Employees continue to participate actively in the employee referral scheme called PARICHAY and 22% of our fresh hires come from PARICHAY which demonstrates a strong endorsement of our work culture from our own employees. FTIL HR has also started and been successful in harnessing the social media like Facebook and Linkedin to access good quality talent.

Directors' Report

DIRECTORS' REPORT

To,

The Members,

Your Directors present the Twenty Sixth Annual Report of your Company together with the Audited Standalone Statement of Accounts for the year ended March 31, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

Your Directors would like to inform you that the Consolidated Financial Statements of your Company have not yet been finalized because there are payment defaults by defaulting members at one of the subsidiaries of the Company, National Spot Exchange Limited (NSEL) and in view of the said defaults various agencies are investigating the matters. Therefore, the financial statements for the financial year 2012-13 and 2013-14 of NSEL are yet to be audited. Consequently, the Consolidated Financial Statements of the Company could not be finalized. The Statutory Auditors of the Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants have submitted Auditor's Report dated May 30, 2014 on Standalone Financial Statements of the Company for the year ended March 31, 2014 .

In view of the above and in the interest of approx. 60,000 shareholders and stakeholders of the Company, it was discussed and decided to circulate to the members Standalone Financial Statements of the Company and statement under section 212 excluding NSEL and its Subsidiaries details. Therefore, in the larger interest of all its stakeholders, the Board has taken the decision to announce Standalone Financial Statements, so that you are not deprived of the financial information of the Company.

FINANCIAL DATA

(₹ in lacs, except per share data)

Particulars	Standalone	
	Current Year 2013-14	**Previous Year 2012-13**
Total Income	61,115.80	65,742.09
Employee benefits expense	12,275.19	12,410.70
Other operating expenses	12,598.02	6,546.38
Provision for other than temporary diminution in value of long term investments in subsidiaries	11,444.44	-
Provision for doubtful loans and advances, and deposits	36,704.87	-
Finance costs	3,053.82	4,283.74
Depreciation/amortization	3,074.86	2,253.99
Total expenses	**79,151.20**	**25,494.81**
Profit/(Loss) before tax	**(18,035.40)**	**40,247.28**
Provision for taxation	4,819.45	7,959.22
Profit/(Loss) after Tax/Net Profit for the year	**(22,854.85)**	**32,288.06**
Add: Balance brought forward from previous year	2,04,257.15	1,79,513.50
Balance available for appropriation	1,81,402.30	2,11,801.56
Appropriations		
Final dividend (proposed)	921.57	921.57
Interim dividend	2,764.71	2,764.71
Tax on dividend	626.48	605.13
Transfer to General Reserve	-	3,253.00
Balance carried forward to Balance Sheet	1,77,089.54	2,04,257.15
Earnings per share		
Basic	(49.60)	70.07
Diluted	(49.60)	69.48

RESULT OF OPERATIONS:

Standalone Financials:

- The total income for the year ended March 31, 2014 was at ₹ 61,115.80 lacs as compared to ₹ 65,742.09 lacs in the previous year. The total revenue from operations for the year ended March 31, 2014 was at ₹ 33,471.49 lacs as compared to ₹ 45,090.10 lacs in the previous year.
- Your Company has reported a loss during the year of ₹ 22,854.85 lacs as compared to profit of ₹ 32,288.06 lacs in the previous year.
- Excluding profit on Sale of Shares (net), diminution in long term investment, and provision for doubtful loans and advances to subsidiaries, during the year, profit before tax was ₹ 23,116.72 lacs, compared to ₹ 40,247.28 lacs in the previous year
- Excluding profit on Sale of Shares (net), diminution in long term investment, and provision for doubtful loans and advances to subsidiaries, during the year, profit after tax was ₹ 18,297.27 lacs, compared to ₹ 32,288.06 lacs in the previous year.
- Net loss of ₹ 22,854.85 lacs for the year ended March 31, 2014 is after making provision for other than temporary diminution in value of long term investments in subsidiaries of ₹ 11,444.44 lacs and Provision for doubtful loans and advances, and deposits of ₹ 36,704.87 lacs.

Qualifications in Audit Report on Standalone Financial Statements:

The qualifications made by the then Statutory Auditors in their Independent Auditors' Report dated May 30, 2014 on the Standalone Financial Statements for the year ended March 31, 2014 and the Management responses thereto are as under:

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

B. Basis for Qualified Opinion and Management Response:

   1. The following matters were qualified in our audit report dated 29th November, 2013, on the financial statements (as amended) for the year ended 31st March, 2013 and continue to be subject matters of qualification:

      a. As stated in Note 52 to the financial statements, the Company had recognised income of ₹ 3,452.00 lacs during the year ended 31st March, 2013 from rendering of various services to NSEL, which included a variable component of ₹ 2,927.60 lacs. As on 31st March, 2013, the total amount receivable from NSEL on this account was ₹ 2,489.27 lacs, which has been realised subsequently during the current financial year.

         The above variable component comprised:

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

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

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

In view of our aforesaid comments and in the absence of sufficient appropriate audit evidence, particularly, in the absence of the audited financial statements of NSEL for the year ended 31st March, 2013, which we could have placed reliance on to validate the underlying elements of revenue and gross profits of NSEL based on which the above mentioned variable component of revenue were derived and accounted for by the Company, significant uncertainty exists regarding the amount of the consideration that could be derived from rendering the service and, hence, we are unable to determine the extent to which the above mentioned revenue aggregating ₹ 2,927.60 lacs should be de-recognised in the Statement of Profit and Loss for the year ended 31st March, 2014 and postponed by the Company, in compliance with the recognition and measurement principles stated in Accounting Standard (AS) 9, 'Revenue Recognition'.

Management Response:

During the previous year ended 31st March, 2013, the Company had earned Income of ₹ 3,452.00 lacs from NSEL, which constituted 5.25% of the standalone total income of the Company. This included aggregate amount of ₹ 2,927.60 lacs being variable component.

The above variable component comprises:

- revenue of ₹ 2,841.46 lacs towards software maintenance and support services derived on the basis of the underlying revenue recognized by NSEL on account of "transaction fees, delivery charges, warehouse receipt transfer charges for trading, settlement and delivery activities" for the year ended 31st March, 2013, pursuant to agreements/contracts; and
- revenue of ₹ 86.14 lacs towards business support services derived on the basis of the underlying gross profits earned on the merchandising activities by NSEL for the year ended 31st March, 2013.

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

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

As of date, there have been no claims by NSEL nor has any dispute been raised in connection with the amounts paid to the Company for the Services provided by the Company during the financial year 2012-13. In view of the above, no provision was considered necessary by the Company as on 31st March, 2013 and as on 31st March, 2014 for the above said Income from NSEL.

b. As stated by the Management of the Company in Note 55 to the financial statements, Writ Petitions, Public Interest Litigations, Civil Suits have been filed against the Company in relation to the NSEL event, wherein the Company has been made a party in the Writ Petitions and Civil Suits, and these matters are pending adjudication. In addition, there is a First Information Report registered, *inter alia*, against the Company with the Economic Offences Wing. Further, as stated in the said Note 55 to the financial statements, based on legal advice, the Management of the Company does not foresee that the parties who have filed the Writ Petitions, Public Interest Litigations, Civil Suits would be able to sustain any claim against the Company. In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said Note 55 to the financial statements, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the financial statements.

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

   Management Response:

   i. During the year, Writ Petitions (WP), Public Interest Litigation (PIL), Civil Suits have been filed against the Company in relation to NSEL event, wherein the Company has been made a party in the Civil Suits and the WP. In the said proceedings certain reliefs have been claimed against the Company, *inter alia*, on the ground that the Company is the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. The Company has denied all the claims and contentions in its reply. There is no privity of contract between the Company and the Petitioners. Based on legal advice, the management is of the view that the parties who have filed the WP, PIL and Civil Suits would not be able to sustain any claim against the Company. The matter is pending for hearing before the Hon'ble Bombay High Court.

ii. First Information Report (FIR) has been registered against various parties, including the Company, with the Economic Offences Wing of the Mumbai Police (EOW) in connection with the NSEL event. After investigation, EOW has filed charge-sheets on 06th January, 2014, 4th June 2014 and 4th August 2014 and it is pertinent to note that so far the Company has not been named in the said charge-sheets.

c. No provision was considered necessary by the Management of the Company for diminution in the value of the Company's long-term investment in NSEL of ₹ 4,499.99 lacs as at 31st March, 2013.

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

However, as stated in Note 51 to the financial statements, during the year ended 31st March, 2014, on a conservative basis, the Company has made a provision, towards diminution, other than temporary, in the value of the entire amount of its long term investment of ₹ 4,499.99 lacs in NSEL and has charged the same to the Statement of Profit and Loss for the year ended 31st March, 2014.

Management Response:

In view of the developments in respect of its subsidiary NSEL, during the year ended March 31, 2014, on conservative basis, the Company has made a provision towards diminution other than temporary in value of long term investments of ₹ 4,499.99 lacs for its investment in NSEL.

2. We are informed that, on the directions of the Forward Markets Commission, a special audit was carried out by an external agency in respect of Multi Commodity Exchange of India Limited (MCX) covering, *inter alia*, the agreements and transactions between MCX and the Company. MCX has, on 26th May, 2014, submitted the scanned copy of the special audit report dated 21st April, 2014 for dissemination on the website of BSE Limited (Refer Note 59 to the financial statements).

   We are unable to comment on the consequential impact, if any, in respect of the above matter on these financial statements.

   Management Response:

   MCX on 29th April, 2014 uploaded on BSE website Executive Summary with the modification on selective basis ('Executive Summary') of Special Audit Report carried out by PricewaterhouseCoopers Private Limited (PwC) with a disclaimer. The Company replied to Executive Summary in detail on 5th May, 2014 and the same was uploaded on BSE website. Subsequently, on 26th May, 2014, MCX disseminated on BSE website Special Audit Report without annexures, exhibits of the said report with a disclaimer that document is yet to be independently verified by MCX, MCX neither agrees nor disagrees with the contents thereof and does not have any opinion on the same, it further recommends that no person should consider and/or rely on the contents of the document at this stage for undertaking any trade (buy or sell) in the securities of MCX, it further states that it does not in any manner warrant, certify or endorse the correctness, accuracy, adequacy or completeness of the contents of the document (report) and it should not for any reason be deemed or construed to mean that the observations (of the report) have been verified / confirmed by MCX. The Company reiterated that views of the Company were not taken into account before finalising the report despite several written requests to MCX.

   It may also be noted that the Special Audit Report contains several disclaimers including a statement that the procedures performed under the Special Audit did not constitute an audit or examination or a review in accordance with generally accepted auditing standards or attestation standards.

3. As stated in Note 50 to the financial statements, the Company has investments in certain subsidiaries and a jointly controlled entity, aggregating

₹ 12,590.95 lacs and has granted loans and advances to / receivables from these entities, aggregating ₹ 90,758.89 lacs [which exclude NSEL and its subsidiaries – refer paragraph B1(c)above]. The net worth of most of these entities has been eroded / substantially eroded. A provision/adjustment of ₹ 8,681.71 lacs (including ₹ 6,944.45 lacs during the year) has been made, *inter alia,* for diminution, other than temporary, in the value of investments and a provision of ₹ 15,150.00 lacs has been made during the year for doubtful loans and advances, which the Management of the Company considers to be adequate.

In the absence of sufficient appropriate audit evidence, particularly, in the absence of a fair valuation of the aforesaid investments at the balance sheet date being provided to us, we are unable to determine the adequacy of the provisions made.

Management Response:

As at 31st March, 2014, the Company's investment in certain subsidiaries and a jointly controlled entity aggregating ₹ 12,590.95 lacs (Previous Year ₹ 12,215.95 lacs) and loans and advances / recoverables from these entities aggregating ₹ 90,758.89 lacs (Previous Year ₹ 38,732.65 lacs) (excluding NSEL and its subsidiaries, and FTSPL and its subsidiaries) which presently have accumulated losses, [share of aggregate losses till 31st March, 2014 ₹ 112,881.99 lacs (Previous year ₹ 59,610.67 lacs)].

In view of the NSEL event, FMC declared the Company not a fit and proper person to hold shares in MCX, consequently, various other regulatory authorities also given direction to dispose of the Company's stake in the respective exchanges. Further the license of the exchange venture situated in Botswana, which had not yet commenced its operation, got cancelled. Considering these events and current scenario (though Company ideally would like to retain the investment to fetch its right price and not to sell in distress), the Company on a conservative basis has made an additional provision of ₹ 6,944.45 lacs (Previous Year Nil) towards provision for other than temporary diminution in the value of investments including provision (write down) in value of investments of ₹ 15.00 lacs (Previous Year Nil) in respect of investments reclassified during the year from long-term (non-current) to current investments, and ₹ 15,150.00 lacs (Previous Year Nil) towards doubtful loans and advances. Accordingly, total provision of ₹ 8,681.71 lacs (Previous Year ₹ 1,737.26 lacs) for other than temporary diminution in the value of investments and provision of ₹ 15,150.00 lacs (Previous Year Nil) for doubtful loans and advances as at the year ended on 31st March, 2014 is considered to be adequate for these investments and loans and advances / receivables.

4. As stated in Note 45 to the financial statements, the directives of the Securities and Exchange Board of India (SEBI) by its Order dated 19th March, 2014 requires the Company to divest its investments referred therein within ninety days from the date of the Order. These include 27,165,000 Equity Shares of Re. 1 each and 562,460,000 Warrants of Re. 1 each (each Warrant will entitle the holder to one Equity Share) both in MCX Stock Exchange Limited and 5,750,000 Equity Shares of ₹ 10 each in MCX-SX Clearing Corporation Limited which are being carried at an aggregate amount of ₹ 6,471.25 lacs. The Management of the Company is of the view that the aggregate carrying amount of the aforesaid investments at ₹ 6,471.25 lacs represents the lower of cost and fair value of these investments as on the balance sheet date.

   In the absence of sufficient appropriate audit evidence, particularly, in the absence of a fair valuation of the aforesaid investments at the balance sheet date being provided to us, and having regard to the time limit for divestment prescribed in the aforesaid Order, we have not been able to validate whether the carrying amount of these investments is the lower of cost and fair value, as required by Accounting Standard (AS) 13, 'Accounting for Investments'

Management Response:

The Company holds 27,165,000 Equity Shares of ₹ 1/- each and 562,460,000 Warrants of ₹ 1/- each in MCX Stock Exchange Limited (MCX-SX).

During the year, the Company has received show cause notice from the SEBI dated 20th December, 2013 solely based on FMC Order under Securities Contracts (Regulation) Act, 1956, SEBI Act, 1992 and Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012, advising the Company to show cause as to why directions should not be issued for divestment of shares and transferable warrants held by the Company and any company/entity controlled by the Company, either directly or indirectly, in MCX-SX, MCX-SX Clearing Corporation Limited (MCX-SX CCL), Delhi Stock Exchange Ltd (DSE), the Vadodara Stock Exchange Limited (VSE) and National Stock Exchange of India Limited (NSEIL). The Company vide its letter dated 21st December, 2013 replied to SEBI stating that FMC Order is subject matter of challenge before the Hon'ble Bombay High Court; therefore, the Company requested SEBI not to take any precipitate action until the writ petition filed by the Company is dealt with by the Hon'ble High Court. SEBI has passed an Order on 19th March, 2014 declaring the Company not a 'Fit and Proper' person and directed the Company to divest the equity shares or any instrument that provides for rights over the equity shares held by the Company in

MCX-SX, MCX-SX CCL, DSE, VSE and NSEIL within 90 days from the date of order. The Company had filed an appeal in the Security Appellate Tribunal (SAT) against the said order. SAT vide its order dated 9th July 2014 directed the Company to divest its stake from the abovesaid entities within four weeks from the date of Order. The Company is in the process of divesting the stake in the aforesaid entities. Investment in the aforesaid entities are reclassified as current investment at the lower of cost and fair value from long term investments. MCX-SX CCL is not considered as an associate company from the date of order i.e. 19th March, 2014. According to the Management's view, on the basis of the information available including latest financial statements/ results and/or latest transactions carried out, the fair value of above investments exceeds the cost of the investments. In case of investment in one company where the book value is less than the investment amount, the Company has made appropriate provision for the same.

5. The Company has recognised MAT Credit of ₹ 9,188.82 lacs as at the year end, including ₹ 960.51 lacs during the year. In accordance with the recommendations contained in the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax (MAT) under the Income - tax Act, 1961 issued by the Institute of Chartered Accountants of India, MAT Credit can be created by way of credit to the statement of profit and loss account and shown as MAT Credit Entitlement in the Balance Sheet, to the extent there is convincing evidence to the effect that the Company will pay normal income tax during the specified period. As per the aforesaid Guidance Note, where MAT credit is recognised as an asset, the same should be reviewed at each balance sheet date and a company should write down the carrying amount of MAT credit asset to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

   In the absence of sufficient appropriate audit evidence, we are unable to independently assess whether any right down is required in respect of the aforesaid carrying amount of MAT Credit asset.

   Management Response:

   On the basis of the projections, Management is of the view that the MAT credit can be utilized over available period.

6. As disclosed in Note 4 "Reserves and Surplus" an amount of ₹ 2,764.71 lacs has been paid as interim dividends for the year 2013-14 and the tax paid on these dividends is ₹ 469.86 lacs. However, the Company has made a loss for the year ended 31st March, 2014. Further, the consequential transfer of the stipulated minimum amounts of profits to General Reserves in accordance with the Companies (Transfer of Profits to Reserves Rules), 1975, has not been effected due to loss for the year.

   Management Response:

   During the financial year 2013-14, the Company has paid three interim dividends in accordance to Section 205 of the Companies Act, 1956 and also recommended a final dividend of 100%, subject to approval of shareholders in the forthcoming annual general meeting. According to Section 205 of Companies Act, 1956 (Act), a company can also declare or pay dividend for any financial year out of profits of the company for any previous financial year or years arrived at after providing for depreciation and remaining undistributed. Since the Company has made a loss for the year ended March 31, 2014, the question of transferring of stipulated minimum amounts of profits to general reserves in accordance with the Companies (Transfer of Profits to Reserve Rules), 1975, does not arise. Under Section 2(14A) of the Act, dividend includes interim dividend. The Company has obtained necessary legal opinion for the same and copy of the opinion was provided to the then Auditors.

7. The matters stated above could also have a consequential impact on the measurement and disclosures of information provided under, but not limited to, managerial remuneration, provision for tax, earnings per share, segment information and related parties for the year ended 31st March, 2014, in the financial statements.

   Management Response:

   As explained in the above said Management reply, the quantum of consequential impact for matters referred in 1(a) & 1(c) in the qualifications does not arise as the Management is of the view that there was no impairment / revenue revision of the Company as of the Balance Sheet date March 31, 2013. With respect to paragraph 1(b) and 2 to 6 above, the Management responses have been given in the respective paragraph.

   Qualification in annexure to Independent Auditors' Report on the matters specified in paragraphs 4 and 5 of the Companies (Auditors' Report) Order, 2003.

8. We are unable to comment on the matters arising from the special audit carried out by an external agency in respect of Multi Commodity Exchange of India Limited on the directions of the Forward Markets Commission as described in Note 59 to the financial statements (Also see paragraph 2 above) and the enquiries from certain investigating authorities as described in Notes 57 and 58 to the financial statement, for the purpose of reporting on clause (xxi) of Paragraph 4 of the Order.

Further to the above, and except for the matters arising from NSEL as described in Note 55 to the financial statements (Also see Basis for Qualified Opinion of our Audit Report as given in paragraph 1(b) above) on which also we are unable to comment, to the best of our knowledge and according to the information and explanations gives to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

Management Response:

The notes 55, 57, 58 and 59 to the financial statements are self-explanatory.

BUSINESS OVERVIEW AND OUTLOOK: FISCAL YEAR 2013-14

BUSINESS OVERVIEW

The bygone year has been one of the most challenging ones in the history of your Company. The NSEL crisis that unfolded in July 2013 has proven to be a watershed for all the good work and goodwill earned by your Company over these years. As a result of the events that have unfolded over the past year, your Company had strategically decided to exit the exchanges/regulated businesses, both in India and around the world, and focus on its core competency – IP centric technological innovations.

Technology has always been the cornerstone of growth for your Company, having gained precedence in setting new trends, extending high-end, robust and efficient solutions for next-generation financial markets. It has made significant investment in devising a scalable exchange and trading technology that boasts incomparable domain expertise and an invaluable IP. Its technology has gained international acclaim for providing pivotal advantages in propelling unrivaled mass disruptive innovation. Your Company has made new inroads in this spectrum, with a distinctive standing as the architect of organized, electronic and regulated financial markets that are either inadequately served or deprived of the advantage due to monetary unviability of traditional markets.

Your Company continues to be the leading technology services provider in the financial markets ecosystem and its technology solutions continue to be used by all major exchanges as well as market intermediaries. Keeping pace with the growing needs of the market, your Company's Exchange Technology Division has equipped its solutions to cater to fixed income markets as well as newer asset classes, viz. equity derivatives and currency options.

Your Company also leads in India's Member Technology Solutions space with ODIN™ continuing to be the first choice of every brokerage house in India holding a major market share in the country's electronic trading solutions space. Your Company has emerged as a global leader in engineering technology-centric financial markets. Etching new levels of achievements in making the segment transparent and amply user-friendly, your Company has been unprecedented in defining the progression of the online trading technology space.

Overall, in the previous year, despite the challenges and economic downturn, your Company could sustain the business momentum in most of its business segments.

BUSINESS OUTLOOK

Going forward times could be challenging as your Company looks to reinvent itself while at the same time ensuring that it is able to circumvent the legal and reputational challenges because of the NSEL crisis. However, since the IP centric technological innovations being at the core for your Company, the future prospects are extremely encouraging. Despite the challenges thrown up by the NSEL crisis, your Company envisions a larger scope for growth and newer avenues to expand its business. Economic upturn will be dovetailed by a stronger growth for technology companies. Having been built on a strong technology foundation has helped and will help your Company deliver consistent performance year on year. As a result of its actions to divest from the regulated businesses, your Company will be able to focus on its technology strengths because of a strong talent pool, a strong infrastructure in FT Tower, a strong cash reserves and a very conducive business environment. Your Company will focus on its technology vertical that includes Exchange Technology Solutions and Member Technology Solutions (Brokerage Solutions, Connectivity Solutions and Consulting Solutions) apart from harnessing newer technologies, markets and segments. Given its experience in delivering mission critical technologies for financial markets, we are confident of leveraging the same towards opening newer markets and industry segments that have traditionally lagged behind in adopting technology but can jump the curve on Cloud, Social Media, Mobile and Analytics.

Your Company will strive to consolidate its existing technology portfolio and aggressively explore other emerging opportunities across geographies.

DIVIDEND

The Company follows a stable dividend payout policy. Your Company has paid consecutive dividend for last 33 quarters which is in accordance with sustainable dividend payout policy of the Company and linked to its long term growth objectives. During the year under review, your Company paid three interim dividends totaling ₹ 2,764.71 Lacs (₹ 6 per share on par value of ₹ 2/- per share). The Directors recommended a final dividend of ₹ 2/- per share, subject to the approval of the shareholders at the ensuing Annual General Meeting. The total dividend – including interim and final – aggregated ₹ 8/- per share, for the financial year ended 31st March, 2014 (previous year ₹ 8/- per share on par value of ₹ 2/- each). The total appropriation on account of interim and final dividend and tax thereon amounts to ₹ 4,312.76 Lacs.

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

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

(₹ in lacs except dividend per share data)

	Interim Dividends			Final Dividend	
	1st Interim	2nd Interim	3rd Interim	Proposed	TOTAL
Dividend per share	2	2	2	2	8
Dividend	921.57	921.57	921.57	921.57	3686.28
Tax	156.62	156.62	156.62	156.62	626.48
TOTAL	**1078.19**	**1078.19**	**1078.19**	**1078.19**	**4312.76**

TRANSFER TO RESERVES

Your Company did not transfer any sum to General Reserve during the year under review in view of the net loss reported during the year. According to Section 205 of Companies Act, 1956 (Act), a company can declare or pay dividend for any financial year out of profits of the company for any previous financial year or years arrived at after providing for depreciation and remaining undistributed. Since the Company has made a loss for the year ended March 31, 2014, the question of transferring of stipulated minimum amounts of profits to general reserves in accordance with the Companies (Transfer of Profits to Reserve Rules), 1975, does not arise.

SHARE CAPITAL

There was no change in the Share Capital of the Company during the year under review. As on 31st March, 2014, the paid-up equity Share Capital of your Company stood at ₹ 921.57 lacs comprising 46,078,537 equity shares of ₹ 2/- each.

INVESTMENT

At the end of FY 2013-14, your Company's Investments (current + non-current) (net of provision) stood at ₹ 127,715.90 lacs as compared to ₹ 221,507.56 lacs 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 audited standalone financial statements of the Company, covered elsewhere in this Annual Report and investment section in Management Discussion & Analysis.

HUMAN RESOURCE DEVELOPMENT

Your Company is a pioneer in providing end-to-end Straight Through Processing (STP) solutions to Financial markets. Our solutions cover all stages of a trade life cycle from Pre-trade, Trade to Post-trade and delivers high value single-point transaction fulfilment.

Technology and Innovation is our DNA that guides all that we do. We have a very diverse employee base with myriad backgrounds and skill sets. Our financial and domain knowledge experts complement the efforts of technology experts in building world-class global trading platforms. We derive our support from the repertoire of unmatched experience and expertise of our leadership, and members of our Board of Directors.

We believe that an organization's most valuable resource is its people. It is the attitude, skills, and knowledge of the human resource, which gives an organization its competitive edge, and can add value for years. Our 'intellectually-stimulating' work culture and great learning opportunities have helped us retain people.

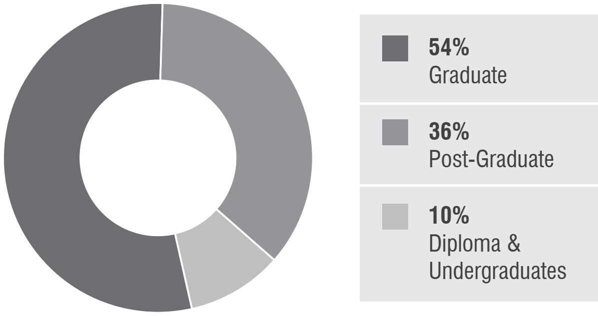
We believe that being driven by commitment, aided by technology and our quality practices, have made FTIL a great place to work. It is a matter of pride that over 50% of our employees are with this company for over five years and our attrition rate is amongst the lowest in the industry.

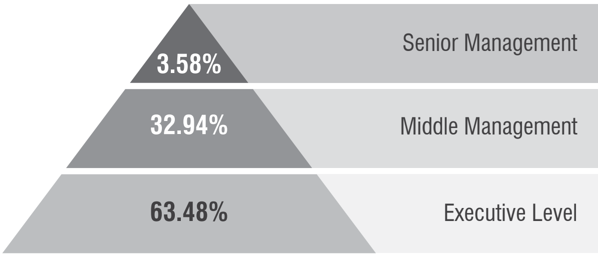
At Financial Technologies, we strongly believe in open communication at all times, across levels. Varied communication channels, such as Departmental meets, HOD meets, HR Zone (e-HR), Group HR Communication, and HR4U e-mail facility, have ensured that the HR team is always around the corner and is available to listen to and help human resources. All of our processes are fully automated and online thus ensuring that information is available at fingertips for employees as well as speed in operations.

As of 31st March, 2014, FTIL had employee strength of 1005.

We have a healthy mix of competent professionals across levels, we are structured as:

Employee strength as on March 31, 2014





SUBSIDIARIES

Further to the Directors Report 2012-13, your Company would like to provide further update on National Spot Exchange Limited ("NSEL"):

a) During the year, Writ Petitions (WP), Public Interest Litigation (PIL), Civil Suits have been filed against the Company in relation to NSEL event, wherein the Company has been made a party in the Civil Suits and the WP. In the said proceedings certain reliefs have been claimed against the Company, *inter alia*, on the ground that the Company is the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. The Company has denied all the claims and contentions in its reply. There is no privity of contract between the Company and the Petitioners. Based on legal advice, the management is of the view that the parties who have filed the WP, PIL and Civil Suits would not be able to sustain any claim against the Company. The matter is pending for hearing before the Hon'ble Bombay High Court.

b) First Information Report (FIR) has been registered against various parties, including the Company, with the Economic Offences Wing of the Mumbai Police (EOW) in connection with the NSEL event. After investigation, EOW has filed charge-sheet on 06th January, 2014, 4th June 2014 and 4th August 2014 and it is pertinent to note that so far the Company has not been named in the said charge-sheets.

During the year under review, your Company has reduced/divested its stake in the its subsidiaries/associate companies to comply with certain regulatory requirements and for enhanced concentration on the core expertise business of your Company:

During the year under review, your Company has reduced its stake in IEX to comply Central Electricity Regulatory Commission (Power Market) Regulations, 2010 ("Regulations"). According to said Regulations your Company was required to bring down its shareholding in IEX to the extent of 25% within the time prescribed (with extensions, if any). Your Company was holding 30.14% of total issued and paid-up share capital on fully diluted basis in IEX till September 2013 and in order to comply with the Regulation, your Company has diluted 5% of the issued and paid up equity share capital of IEX during the year.

National Bulk Handling Corporation Limited (NBHC): During the year under review, Your Company alongwith other shareholders entered into a share purchase agreement for sale of 100% equity shares in the NBHC in order to preserve the business developed and value generated over the years in this subsidiary of the Company. The sale transaction was completed in April 2014.

Singapore Mercantile Exchange Limited (SMX) and SMX Clearing Corporation Limited (SMXCCL): Financial Technologies Singapore Pte. Limited is a wholly owned subsidiary of your Company which was incorporated as per regulatory requirement of Monetary Authority of Singapore (MAS) only to hold shares of SMX, an approved exchange by MAS, Singapore and SMXCCL, the Clearing Corporation. Your Company divested all its stake in the SMX and its clearing house SMXCCL, through Financial Technologies Singapore Pte. Limited.

Your Company is a promoter and anchor investor of MCX, the country's leading commodity exchange. Your Company was holding 26% of the issued and paid-up share capital of MCX out of which 20% of total issued and paid up share capital of MCX was subject to lock-in upto March 7, 2015 in accordance with the SEBI (ICDR) Regulations, 2009. Without prejudice to rights and contentions raised in Writ Petition filed by your Company challenging the validity & propriety of the order dated December 17, 2013 passed by the Forward Markets Commission, your Company initiated process of divestment of its shareholding in MCX. Accordingly, your Company has sold 6% shares in the open market in July 2014 and entered into a Share Purchase Agreement dated July 20,2014 with Kotak Mahindra Bank Limited for sale of 15% shares in MCX subject fulfillment of conditions precedents and receipt of regulatory approvals.

Your Company has also initiated the process of selling its investments in some of the non-operative subsidiaries of the Company namely, Riskraft Consulting Limited, Boursa India Limited, Takshashila Academia of Economic Research Limited and Trans-global credit and Finance Limited.

Subsidiaries of Bourse Africa (Botswana) Limited (step-down subsidiaries) of the Company namely Bourse Uganda Limited, Bourse Africa (Kenya) Limited, Bourse Exchange Nigeria Ltd. and Bourse Zambia Limited, which are based in Africa are under process of voluntary winding up as they have not yet initiated any business and operations and your Company does not envisage any business operations in these entities in near future. One of such subsidiaries, Bourse Tanzania Limited was wound-up as on 28th May 2014 and was notified in the local gazette as on 27th June 2014.

Due to the ongoing investigations of the matter of National Spot Exchange Limited (NSEL) and Indian Bullion Market Association Limited (subsidiary of NSEL) by various agencies/regulatory authorities, the accounts for the Financial Years 2012-13 and 2013-14 of NSEL & IBMA are not yet finalized. Hence, your Company is unable to attach the Consolidated Financial Statements. However, statement pursuant to Section 212 of the Companies Act, 1956 containing the details of subsidiaries of the Company (excluding NSEL & its subsidiaries) and Balance Sheets, Profit and Loss Account, Directors Reports and Auditors' Report of the subsidiaries of the Company (excluding NSEL and its subsidiaries) are enclosed in this Annual Report 2013-14.

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

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

RELATED PARTY TRANSACTIONS

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

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

EMPLOYEES STOCK OPTION PLAN (ESOP)

During the year under review, no stock options were granted or exercised under ESOP Scheme 2009 and ESOP Scheme 2010. As on 31st March 2014, 6,14,495 and 6,03,406 stock options under ESOP Scheme 2009 and ESOP Scheme 2010 respectively, are in force.

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

The erstwhile Remuneration and Compensation Committee at its meeting held on 06th August 2014 approved the re-pricing of outstanding Options granted under the ESOP 2009 and 2010 schemes. The Options shall be re-priced at a discount of 25% on the closing price of the day prior to the meeting of the Nomination and Remuneration Committee to be held, post approval of shareholders in the ensuing AGM. The erstwhile Remuneration and Compensation Committee also approved the extension of exercise period of outstanding Options granted under the 2009 and 2010 schemes for a period of 3 years from the vesting date.

QUALITY

Your Company continues to maintain a Customer and Quality centric approach. In line with this approach, your Company has successfully cleared the rigorous surveillance audit for certification to ISO 9001:2008 Quality Management Systems standard. Further, your Company continues to have a proactive Risk Management approach, and conducts risk assessment activities on a yearly basis.

In addition to the above the Company maintains its commitment towards information security and has successfully cleared the ISO 27001:2013 surveillance audit too during FY 2013-14. This certification provides reassurance to all stakeholders that your Company rates information security very high, and necessary measures are taken to ensure that non compliances and vulnerabilities are addressed.

Your Company also has an effective Environment policy and is governed by it. In this regard, it has also cleared the ISO 14001:2004 re-certification audit, and continues to monitor its environment management plan, which is developed on the basis of the "Environment Review".

Your Company has also aligned its in-house IT services to the ISO 20000-1:2011 Standard which ensures that the IT service Management of the company follow best practices and continues to monitor the services against the SLAs provided. Your Company was recertified in 2014.

CORPORATE SOCIAL OPPORTUNITY (CSO)

Your Company believes that by involving employees it is merely integrating its business vision with what it values the most – its people.

Our CSR activities provide a platform to the employees to help them transition from being well–wishers to responsible citizen by participating in societal activities like blood donation, clothes donation, stationery donation, etc. Our "Reach Out" initiative empowers an employee to make a monthly monetary contribution through payroll deduction to NGOs, whose activities benefit children, women, disabled and the terminally ill. All donations are completely voluntary and employees have full control over the amount they wish to donate.

We also provide an enabling platform to NGOs to showcase and sell their products at our premises and our employees wholeheartedly participate in this social cause.

Our CSO initiatives have been a great success and draw a huge response from the employees. The innovative CSO initiatives are closely linked to our practices, events and policies to ensure successful involvement of all stake holders.

During the year your Company has formed Corporate Social Responsibility Committee comprising two Independent Non-executive Directors and one Whole Time Director of the Company. Please refer Corporate Governance Report for detailed composition and terms of reference of the said Committee.

RISK MANAGEMENT

Your Company has a risk identification and management system. In the process of risk management, the risk management system continuously identifies risks which are related to business, strategy, operations, market, finance, statutory or legal, technology system and overall internal control systems of the Company.

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 life, mediclaim and accident insurance for all the employees.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

CORPORATE GOVERNANCE

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

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

MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. Dewang Neralla (DIN 00107134), Director of your Company, retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer himself for re-appointment.

During the year under review, Mr. C. Kamdar (DIN 00348385), Mr. R. Devarajan (DIN 02604441), Mr. P. R. Barpande (DIN 00016214), Mr. C. M. Maniar (DIN 00034121), Mr. N. Balasubramanian (DIN 00288918), Mr. T. C. Nair (DIN 02689698) Independent Directors and Mr. Ravi Sheth (DIN 00022121), non-executive Director have ceases to be Directors on the Board of the Company and its Committees. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. C. Kamdar, Mr. R. Devarajan, Mr. P. R. Barpande, Mr. C. M. Maniar, Mr. N. Balasubramanian, Mr. T. C. Nair and Mr. Ravi Sheth, during their association with the Company. It is to inform you that Mr. C. M. Maniar passed away on June 29, 2014 after brief illness. Your Directors express their condolences on demise of Mr. C. M. Maniar.

Considering the cessation of the Directors, Mr. Venkat Chary IAS (Retd.) (DIN 00273036), Mr. Achudanarayanan Nagarajan IAS (Retd.) (DIN 02107169), Justice Rajan J. Kochar (Retd. Judge of Bombay High Court) (DIN 06710558) and Mr. Rajendran Soundaram (DIN 02686150), having wide experience in banking domain, were appointed on the Board of the Company as Non-executive Independent Directors.

Mr. Venkat Chary, Non-executive Independent Director was appointed as non-executive Chairman of the Company by the Board of Directors of the Company.

Pursuant to the provisions of Clause 49 of the Listing Agreement, where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise independent Director and as per Section 149 of the Companies Act 2013 read with relevant Rules thereto, every listed company shall have at least one-third of the total number of directors as independent directors. Your Company has 4 (Four) Non-executive Independent Directors who are Independent Directors pursuant to the aforesaid provisions. Based on the present composition of the Board of Directors and the number of Independent Directors, the Company complies with this requirement.

Your Company is proposing to bring the appointment of Independent Directors in line with the provisions of the Companies Act 2013 by confirming them in the ensuing Annual General Meeting. Pursuant to the provisions of the Companies Act, 2013, the period of appointment of Independent Directors shall be five consecutive years from the date of their appointment at Annual General Meeting and they are not liable to retire by rotation.

As per the information available with the Company, none of the Directors of the Company is disqualified for being appointed as a Director as specified in Section 274 of the Companies Act, 1956, as amended and Section 164 of the Companies Act 2013 including any amendments or re-enactment thereto.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. that in preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same;

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

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

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

BUSINESS RESPONSIBILITY REPORT

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

The Business Responsibility Reporting as required by Clause 55 of the Listing Agreement is not applicable to your Company for the financial year ended March 31, 2014.

AUDITORS

Your Directors would like to inform you that the Company has received a letter dated 9th June 2014 from the Statutory Auditors M/S Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Regn. No. 117366W / W-100018), conveying their unwillingness to continue as the Statutory Auditors of the Company w.e.f. 09th June 2014.

Pursuant to provisions of Section 139 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014, any casual vacancy caused in the office of the Statutory Auditors of the Company shall be filled by the Board of Directors within thirty days of such resignation, but if such casual vacancy is due to resignation of the Statutory Auditors, such appointment shall also be approved by the Company at a general meeting convened within three months of the recommendation of the Board and the Auditor shall hold the office till the conclusion of the next annual general meeting.

Considering the casual vacancy in the office of Statutory Auditors, the Company has vide its letter dated 20th June 2014 approached M/s Sharp & Tannan Associates, Chartered Accountants, Mumbai (Regn. No. 109983W); to act as the Statutory Auditors of the Company. M/s Sharp & Tannan Associates, have conveyed their willingness to act as Statutory Auditors of the Company vide their letter dated 21st June 2014 and have given their willingness to be appointed as the Statutory Auditors of the Company subject to the approval of shareholders in the ensuing Annual General Meeting, the Board of Directors has appointed M/s Sharp & Tannan Associates as Statutory Auditors of the Company for a period of 5 years.

In view of the above, the Statutory Auditors of your Company, M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai, shall hold office from the date of their appointment by the Board of Directors till the conclusion of this Annual General Meeting and shall, subject to your approval, hold the office of statutory auditors from the conclusion of this Annual General Meeting until the conclusion of the Sixth Annual General Meeting of the Company to be held after this meeting.

It also states that their appointment, if made, is as per eligibility required to be confirmed under Section 139 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014.

Your Directors recommend the appointment of M/s. Sharp & Tannan Associates, Chartered Accountants, Mumbai, as the statutory auditors of your Company 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. 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.

iii. Transfer of amounts to Investor Education and Protection Fund

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

iv. 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 as required to be set out in the Annexure to the Directors' Report are set out as Annexure "C" to this Directors' Report.

v. "Group"

The list of Group companies/Associates/joint Ventures where control exists and forms part of this Annual Report.

vi. Special Business

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

ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board

Place: Mumbai	**Venkat Chary**	**Dewang Neralla**
Date: 9th August 2014	Chairman	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 equipment, which would entail cost efficiency. It continues its endeavor to improve energy conservation and utilization. Your Company has taken various initiatives towards energy conservations.

Electrical Energy Saving Initiatives: Your Company has taken initiatives to reduce the consumption of energy in terms of electricity savings and conservations by way of followings:

- Switch from CFL lights to LED lights: Old CFL lights were removed and new LED lights are fitted in the building to reduce lighting energy consumption. It has resulted in saving of 37000 KWH (Approximately) in one month of operations. Floor lights are switched off wherever no users found working.
- Air conditioning run time has been reduced by rescheduling the start / stop timing of air conditioning system from BMS system. AC units in office floors and atrium lobby are switched off in absence of users to save energy.

Water Conservation Initiatives: Following water conservation initiatives were taken during the year:

- The bore-well at building premises is treated to get clear water for water treatment plant which leads for electrical energy saving and provides odour less water for gardening and related activities.
- Water harvesting system has been operational through which the rain water is being used in water treatment plant.

Technology Absorption, Research & Development

Your Company is committed to customer delight by way of absorbing pre-existing and new technologies which would not be possible without Research & Development (R&D) capacity and subsequently commercializing the results of R&D innovation to existing as well as new products, businesses and markets. The business segment of your Company constantly demands upgradation of technologies to suit the requirement of the it large customer base and to upgrade the features of the products offered by the Company. This is the constant effort of your Company to remain the forerunner developer of the market oriented products for benefit of all the stakeholders. Updated and improved products enable our customers' effective delivery of their services.

The R&D activity of your Company is mainly focused on the development of new software products to meet customer requirements as well as absorbtion of newer technology for its existing products. Since your Company operates in a sector which witnesses rapid technological change and quality up-gradation, product improvement/development is given special attention. During the year under review, following developments were made in the arena of products of your Company:

Member Technology

ODIN™, Your Company's Flagship product, continues to be the first choice of every brokerage house in India. In the current year, BSE Currency Derivative Segment is introduced on ODIN™. ODIN™ capabilities have been enhanced to trade on newly introduced products such as Interest Rate Futures on NSE, BSE and MCX-SX Currency Derivatives Segment, India VIX on NSE, among others. ODIN™ has also opened up various APIs to support real-time integration with widely used application categories such as Back-Office, News and Analytics Distribution and PMS. Moreover, the Risk Management process is continually improved and adapted to the changing global risk scenario.

Your Company's product offering in automated trading space is enhanced by introducing various categories of trading strategies such as Arbitrage, Momentum, Jobbing, Options and IV based strategies supporting Normal as well as Tick By Tick (TBT) broadcast of exchange. In the premium Institutional Segment, your Company has introduced many rich features and functionalities like Smart Order Routing (SOR) for different orders such as Direct Market Access, Manual and Algo. In Online Trading space, Your Company has introduced a state-of-the-art Mobile based (supporting various devices such as Tablet, Smart Phones, etc.) Trading and Browser based trading on the popular HTML5 platform which equips the user with enhanced User experience.

MATCH™, Your Company's product offering for middle office, clearing and settlement is continuously being enhanced to support new products such as Interest Rate Futures on NSE, BSE and MCX-SX Currency Derivatives Segment. Your company enhanced post trade risk product, PROTECTOR, for better handling of risk with reduced human intervention. Being leading service provider - STP GATE, continues to enjoy majority market share in Custodian, Fund Houses and Brokerage Houses in India.

Your Company endeavours to leverage its capital market domain expertise for penetrating in the Middle East Region. Your Company has successfully deployed different solutions (Online Trading, Mobile Trading) at multiple sites for DGCX, ADX and DFM Exchanges. ODIN™ was enhanced to seamlessly connect with new exchange platform launched by DGCX and major changes introduced by ADX.

Exchange Technology:

DOME™ and CnS™ - exchange technology product suite – were constantly upgraded during the year to meet various client, regulatory and market requirements. Following were some of the specific enhancements in the suite:

1. Introduction of Fixed Income market segment:

   To cater to the requirements for Fixed Income Market segment for trading and clearing of Gsec, Corporate Bond, etc., exchange technology product suite was enhanced during the year. It was successfully put into production at the client site.

2. Introduction of Fixed Income Trade Reporting system:

   To cater to the requirements for Fixed Income trade reporting of Gsec, Corporate Bond, etc., Tradedart™ was enhanced during the year. It was successfully put into production at the client site.

3. Introduction of Initial Public Offering (IPO) / Book Building (BB) system

   To cater to the requirements for collection and reporting of IPO/BB applications, exchange technology product suite was enhanced during the year. It was successfully put into production at the client site.

Data Collector and Other Risk Products:

Your Company is in the process of implementation of new version of Data Collector Application which now caters to an overseas regulator.

New developments have also taken place in your Company's Arisc application which helps Automated Data Flow from Banks to regulators towards various information asked by regulators from time to time.

Your Company has now upgraded the BASEL II module in Risk Calculator application which helps its customer to migrate from Standard Approach to Advance Approach. Your Company continuously enhances its Banking products and is in the continuous process of developing new products as well.

Your Company added ALM application which facilitates Banks for an effective Risk management and a new product named Varcraft application which helps Financial Institutions to calculate Value at Risk for their treasury portfolio.

FOREIGN EARNINGS & OUTGO

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

(₹ in Lacs)

Nature of Expenses	Current Year	Previous Year
Salaries and wages	-	57.42
Travelling expenses	15.48	55.49
Professional fees	3.75	29.72
Interest expenses on borrowings	2,051.36	3,054.44
Amortisation of ancillary borrowing costs	539.36	383.02
Insurance	0.24	1.36
Rent	5.19	6.23
Repairs and maintenance- others	0.93	8.14
Software license fees	211.29	172.79
Miscellaneous expenses	21.23	57.79
Total	**2,848.83**	**3,826.40**

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

(₹ in Lacs)

Nature of Income	Current Year	Previous Year
Income from software products (IPR based license)	34.32	49.78
Income from software services (Project based)	7,795.30	8,553.57
Sale of traded goods	0.63	8.55
Guarantee Fees	534.67	1,295.13
Interest on bank deposits	19.04	79.24
Interest on loans to subsidiaries	5,557.37	2,062.13
Total	**13,941.33**	**12,048.40**

ANNEXURE "B" TO THE DIRECTORS' REPORT

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

Sr. No.	Description	ESOP – 2009	ESOP-2010
a.	Options granted out of the lapsed/cancelled stock options during the year	Nil	Nil
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)	Nil	Nil
c.	Options vested	Nil	Nil
d.	Options exercised	Nil	Nil
e.	Options lapsed/forfeited	2,78,005	2,77,549
f.	Variations of terms of options	Nil	Nil
g.	Money realized by exercise	Nil	Nil
h.	Options in force	6,14,495	6,03,406
i.	Employee wise details of options granted during the year– i) Senior Management Personnel- ii) Employees who receive a grant in any one year of option amounting to 5% or more of options granted during that year – iii) Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	 Nil Nil Nil	 Nil Nil Nil
j.	Diluted EPS	(49.60)	(49.60)
K	Fair value of the options	249.05	238.67
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 loss for the year would have been higher by ₹ 303.33 Lacs and earnings per share as indicated as below: Adjusted EPS ₹ - Basic (50.26) - Diluted (50.26)	
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 ii) Option life iii) Dividend yield iv) Risk-free interest rate 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.	 38.57% to 39.27% 1.13 years – 3.13 years 0.74 % 7.80% to 7.83%	

For and on behalf of the Board

Place: Mumbai
Date: 9th August 2014

Venkat Chary Chairman

Dewang Neralla Whole-time Director

Annexure: C

Statement pursuant to Section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of employees) Rules, 1975, for the year ended March 31, 2014

Name	Date of Joining	Age	Qualification	Designation	Experience (No. of years)	Total	Last Employment	Designations
(A) Employed for full year								
Jignesh Shah	24-Jan-95	47	B.E.	Managing Director	26	74,879,785	The Stock Exchange Mumbai (BSE)	Business Analyst (Project BOLT)
Dewang Neralla	01-Jun-95	45	B.E.	Whole Time Director	19	23,669,492	The Stock Exchange Mumbai (BSE)	Deputy Manager (Information Technology)
Manjay Shah	03-Jan-02	43	Diploma in Electronics	Whole Time Director	12	29,806,260	First Employment	--
Paras Ajmera	01-Oct-05	41	B.E.	Director - Operations (Non Board Member)	18	50,993,377	Self Employment	--
Jigish Sonagara	01-Oct-04	38	B Com, CA, Diploma	President & Head – Exchange Technology	17	21,935,287	AUDITime Information Systems India Pvt. Ltd.	Director
Naishadh Desai*	24-Mar-08	48	B.Com, B.GL, CS	President - Legal	26	16,537,235	Hexaware Technologies Ltd.	Asst. Vice President - Legal & Finance
Prashant Desai	10-Dec-12	42	B.Com, CA, ICWA,	President - Mergers & Acquisitions and Investor Relations	18	19,980,553	Seagull Value Consultans LLP and Seagull IR Solutions P Limited	Founder
Rajendra Mehta	13-Aug-12	48	B.Com, CA	President & Head - Member Technology	25	8,272,527	CLSA India Limited	Chief Operating Officer
Shalaka Gadekar	22-Sep-09	48	BA, LLB, PGC in HRM	Group Head - Human Resources	26	5,827,128	Future Generali	Chief - Human Capital
Parag Ajmera	01-Nov-01	45	B.E.	Chief Business Officer - Member Technology	15	7,876,388	Tej Technologies	Sr. System Analyst
Devendra Agrawal	12-Dec-05	44	B.Com, M.Com, CA	Chief Financial Officer	20	9,889,459	Transworks Information Service Ltd (AV Birla Group Company)	General Manager - Finance
Pratap Polkam	28-Dec-99	41	PG in Computer Maintenance Engg.	Chief Technology Officer	20	9,134,199	Global Network Technology	Technical Support Engineer
Rohit Ambosta	17-Oct-05	38	B.E.	Chief Information Officer	16	9,783,949	Mahindra British Telecom Ltd.	Consultant
Mehmood Vaid	03-Sep-12	41	B.Com, MBA	Sr. Vice President - ODIN	24	6,052,394	Bonton Tours Pvt Ltd	Chief Consulting Officer
(B) Employed for part of the year with average salary above ₹ 5 lacs per month								
Miten Mehta	01-Jul-13	45	B.E, Executive Programme in E-Business	President - New Venture & EcoSystem Platform	18	27,754,743	KloudData	Co Founder and Chief Operating Officer
Sameer Vasani	01-Apr-00	39	B.E.	Sr Software Architect	16	2,418,375	First Employment	--

* Resigned wef 1st April 2014

Notes:

1. The above remuneration includes basic salary, allowances, taxable value of perquisities excluding company contribution towards PF etc. It also excludes gratuity and compensated absences which are actuarially valued and where separate amounts are not identifiable. The term remuneration has meaning assigned to it in the explanation to Section 198 of the Companies Act 1956.
2. Mr. Manjay Shah is a relative of Mr. Jignesh Shah - Managing Director of the Company.
3. Except Mr. Jignesh Shah, none of employees hold by himself or along with his spouse and dependent children more than than two percent of the equity shares of the Company.
4. Nature of employment, in all cases is contractual.

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Management Discussion & Analysis

MANAGEMENT DISCUSSION & ANALYSIS

INDIAN FINANCIAL MARKETS REVIEW:

After two successive years of sub 5 percent GDP growth, the Indian economy is expected to clock growth in excess of 5 percent in 2014-15. Persistent uncertainty in the global outlook, caused by the crisis in the Eurozone and a general slowdown in the global economy, compounded by domestic structural constraints and inflationary pressures resulted in protracted slowdown in the Indian economy.

The results of the Parliamentary polls in May 2014 have shown a decisive mandate in favor of Shri Narendra Modi led National Democratic Alliance (NDA). This decisive mandate has spawned a widespread expectation of a stable Government with a pro-reform bias. It has also raised hopes for a faster economic growth as many bottlenecks to decision making are expected to be removed.

The NDA government's philosophy of governance is based on the '3S' principle, which has emphasized that new India should stand on the three pillars – Scale, Speed and Skill, a model propagated by the state of Gujarat – to realize its full potential. The model highlights some points such as the days of slow working have gone and we need to think on a bigger scale, develop skills and execute with speed, which may enable us to match with the other countries and reach the pinnacle of glory - making India a truly global power.

GLOBAL FINANCIAL MARKETS REVIEW

Six years from the financial crisis that engulfed the global economy, we continue to witness a subdued recovery. According to IMF, global activity has been strengthened in second half of 2013 and is expected to continue to improve further in 2014-15, largely on account of recovery in the advanced economies.

The US economy continues to be a strong driver for global growth. The Euro-zone economy has also shown improved economic activity in the second half of 2013, but the recovery remains fragile. European Central Bank (ECB) announced a series of measures in June 2014 to boost the sluggish economy of the Euro-zone. The measures are aimed at easing pressure on the strong euro, which has been threatening recovery.

OUTLOOK

Amid mounting optimism in the mood of the business community at large, there's seemingly a new ray of hope of burgeoning technology-oriented businesses. As the market portends growth in the coming times, your Company envisages an upturn of businesses in its portfolio.

However, going forward, times could be challenging as your Company looks to reinvent itself while at the same time ensuring that it is able to circumvent the legal and reputational challenges because of the NSEL crisis. Despite these challenges, there are larger encouraging emerging opportunities across various sectors that your Company is gearing up for to explore.

As a resilient organization with a strong talent pool, a strong infrastructure in FT Tower and a strong balance sheet, your Company is confident of emerging stronger, faster and better from this challenge. It is conscious of its responsibility to create shareholder value and will work towards taking not just its existing technology business to greater heights, but also leading FTIL into new avenues of success. Because of the events that unfolded, your Company has decided to go back to its technology roots and rediscover newer areas to take the company towards restoring its past glory again. Your Company has, strategically, decided to exit the exchanges/regulated businesses both in India and around the world.

Your Company will focus on its technology vertical that includes Exchange Technology Solutions and Member Technology Solutions (Brokerage Solutions, Connectivity Solutions and Consulting Solutions) apart from harnessing newer technologies, markets and segments. Given its experience in delivering mission critical technologies for financial markets, we are confident of leveraging the same towards opening newer markets and industry segments that have traditionally lagged behind in adopting technology but can jump the curve on Cloud, Social Media, Mobile and Analytics.

BUSINESS OVERVIEW

The year gone by has been one of the most challenging in the history of your Company. The settlement crisis that had erupted in one of your Company's subsidiaries, National Spot Exchange Limited (NSEL) on account of default by 24 Members of NSEL last year has significantly damaged your Company's reputation. We are informed that there are several steps taken by NSEL to work towards resolution of the crisis. As per information provided by NSEL, it has intervened in / filed more than 100 cases against the defaulting members, erstwhile management team and others allegedly involved. NSEL has created a microsite on defaulting members to provide relevant information to all stakeholders http://www.nseldefaulters.com/.

However, the continued faith and trust reposed in your Company by its clients and the employees, has ensured that your Company was able to retain its market share in most of its business offerings. Its technology solutions continue to be used by all the exchanges as well as various members across exchanges.

Your Company's Exchange Technology Solutions are enabling the world's leading exchanges to operate seamlessly, thereby providing an efficient market place for the entire ecosystem. Keeping pace with the growing needs of the market, your Company's Exchange Technology Division has equipped its solutions to cater to fixed income markets as well as newer asset classes, viz. equity derivatives and currency options. Your Company also leads in India's Member Technology Solutions space with ODIN™ continuing to be the first choice of every brokerage house in India holding a major market share in the country's electronic trading solutions space. Your Company has emerged as a global leader in engineering technology-centric financial markets. Etching new levels of achievements in making the segment transparent and amply user-friendly, your Company has been unprecedented in defining the progression of the online trading technology space.

As a result of the events that have unfolded over the past year, your Company had strategically decided to exit the exchanges/regulated businesses both in India and around the world. Past year has seen your Company exit Singapore Mercantile Exchange (SMX), whereas the process of divestment for other entities, including MCX, MCX-SX, and NBHC, has been initiated and to a great extent the divestment has been concluded successfully. Overall, in the previous year, despite the challenges and economic downturn, your Company could sustain the business momentum in most of its business segments.

However, the continued faith and trust reposed in your Company by its clients and the employees, has ensured that your Company was able to retain its market share in most of its business offerings. Its technology solutions continue to be used by all the exchanges as well as various members across exchanges.

Your Company's Exchange Technology Solutions are enabling the world's leading exchanges to operate seamlessly, thereby providing an efficient market place for the entire ecosystem. Keeping pace with the growing needs of the market, your Company's Exchange Technology Division has equipped its solutions to cater to fixed income markets as well as newer asset classes, viz. equity derivatives and currency options.

Your Company also leads in India's Member Technology Solutions space with ODIN™ continuing to be the first choice of every brokerage house in India holding a major market share in the country's electronic trading solutions space. Your Company has emerged as a global leader in engineering technology-centric financial markets. Etching new levels of achievements in making the segment transparent and amply user-friendly, your Company has been unprecedented in defining the progression of the online trading technology space.

As a result of the events that have unfolded over the past year, your Company had strategically decided to exit the exchanges/regulated businesses both in India and around the world. Past year has seen your Company exit Singapore Mercantile Exchange (SMX), whereas the process of divestment for other entities, including MCX, MCX-SX, and NBHC, has been initiated and to a great extent the divestment has been concluded successfully.

Overall, in the previous year, despite the challenges and economic downturn, your Company could sustain the business momentum in most of its business segments.

CHALLENGES

The challenges faced by your Company include, amongst others, its ability to overcome the NSEL crisis in a specific timeframe and its impact on your Company's technology business.

The year would further strain the revenues on the exchange vertical as a result of changed circumstances, which include divestment in the International exchanges promoted by your Company leading to stoppage of technology usage, regulatory changes such as CTT which have reduced the volumes on MCX significantly, and slowdown in MCX-SX trading volumes across segments – currency, equity as well as fixed income.

As your Company divests its exchange and ecosystem portfolio, along with the benefit of being cash surplus, your Company's ability to innovate newer segments fast enough will be tested. Further, with the job markets opening up, retaining talent could become a top priority for your Company.

COMPETITIVE STRENGTHS

Your Company's highly robust and scalable Exchange and trading technology that has reduced time and cost for the market, coupled with deep domain expertise in creating next generation markets across regions, gives it a decisive edge in driving mass disruptive innovation that is unmatched in financial markets.

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

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

Your Company will continue to explore newer markets, business segments, and geographies to harvest its proven expertise in creating and establishing next generation financial markets ecosystem.

FINANCIAL POSITION AND RESULT OF OPERATIONS

Shareholder's Equity

Your Company's authorised share capital is ₹ 3000 lacs, divided into 1500 lacs equity shares of ₹ 2 each. The paid up share capital of your Company stood at ₹ 921.57 lacs. During the year, there was no change in the paid-up share capital of your Company.

Reserves and Surplus

Your Company's total reserves and surplus amounted to ₹ 240,028.64 lacs as on March 31, 2014 as against ₹ 266,761.81 lacs as on March 31, 2013, reduced on account of net loss during the year.

During the year, there was no change in Securities premium account which stood at ₹ 41,746.61 lacs as on March 31, 2014.

General reserve as at March 31, 2014 stood at ₹ 26,413.15 lacs. During the year, there was no change in general reserve.

Shareholders' Funds

Total shareholder funds stood at ₹ 240,950.21 lacs as on March 31, 2014 as against ₹ 267,683.38 lacs as on March 31, 2013.

Loan Funds

During the year ended March 31, 2012, the Company had availed External Commercial Borrowings (ECB) aggregating to USD 110.00 million partly for investments in overseas wholly owned subsidiary companies and partly to repay the Zero Coupon Convertible Bonds.

In view of the developments in NSEL, various lenders of External Commercial Borrowings (ECB) raised concerns regarding on repayment of their loans and, after negotiations with the lenders, the Company has made part prepayment of ECB loan of USD 33.25 million during the year out of the total ECB loan of USD 110.00 million in compliance with the ECB guidelines. As on March 31,2014, the outstanding ECB balance amounted to USD 76.75 million (equivalent to ₹ 46,126.60 lacs) as against USD 110 million (equivalent to ₹ 59,828.23 lacs) as on March 31, 2013. In order to reduce the finance cost and to make the Company debt free, your Company has applied to RBI for permission of prepayment of balance outstanding ECB amount of USD 76.75 million.

Deferred Tax Liability

During the year, your Company has reported accrual of total net deferred tax liability of ₹ 2,524.64 lacs compared to ₹ 2,382.88 lacs in the previous year. Deferred tax assets and liabilities are recognized for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at substantively enacted tax rates.

Trade Payable:

At the end of the year, trade payables stood at ₹ 531.60 lacs as compared to ₹ 2,034.63 lacs at the end of previous year.

Other Liabilities (current + non current)

Other liabilities at the end of the year amounted to ₹ 25,060.52 lacs as against of ₹ 23,647.95 lacs at the end of previous year. It mainly includes advances received from customers, income received in advance/ unearned revenue and other contractual obligations. The marginal increase during the year is mainly on account of increase in advance from customers.

Provisions (short term + long term)

Total provisions as at the end of the year decreased to ₹ 2,489.52 lacs as against of ₹ 3,572.55 lacs at the end of the previous year mainly due to reduction in provision made for estimated loss on Interest Rate Swap Contracts.

Investments (current + non-current)

The total investments (net of provision) as at March 31, 2014 were at ₹127,715.90 lacs as compared to ₹ 221,507.56 lacs as at March 31, 2013. The investments mainly comprised of investment in mutual funds, bonds and investments in subsidiaries, joint venture & associate companies. During the year the Company utilized part of the investments in mutual fund units for part payment of its external commercial borrowings and extending loans to subsidiaries to repay their foreign currency loan outstanding and partly to meet their working capital requirements. In view of the NSEL event and considering the current scenario, the Company has made an additional provision of ₹ 11,979.19 lacs towards provision for diminution in the value of investments which includes provision of ₹ 4,499.99 lacs towards investments in NSEL.

Fixed Assets:

₹ lacs

As on March 31,	2014	2013
Freehold Land	4666.60	4666.60
Buildings	30390.17	29120.83
Improvement To Leasehold Premises	189.49	108.99
Office Equipment	5489.41	5286.28
Computer Hardware	4855.82	4716.24
Furniture and Fixtures	4843.62	4841.00
Vehicles	682.39	657.90
Intangible assets including Software, Technical know-how etc.	3801.70	3720.23
Gross Block	**54919.20**	**53118.07**
Less: Accumulated Depreciation/ Amortisation	8385.42	5417.64
Net Block	**46533.78**	**47700.43**
Total Fixed Assets	**46533.78**	**47700.43**

During the year, the additions to fixed assets were at ₹2,053.18 lacs.

Trade Receivables

As at the end of year, trade receivables (net of provision) were at ₹ 6,775.60 lacs as compared to ₹ 8,310.47 lacs at the end of the previous year.

Loans & Advances (current + non-current)

At the end of the year, Loans and Advances (current + non-current) (net of provision) amounted to ₹ 122,811.86 lacs as against ₹ 69,136.79 lacs at the end of previous year. Increase is mainly due to loans to subsidiaries to repay their foreign currency loan outstanding and partly to meet their working capital requirements. Further, Considering the current scenario, the Company has made additional provision of ₹ 36,696.81 lacs towards provision for doubtful loans and advances from subsidiary companies which includes provision of ₹ 21,433.06 lacs towards loans to NSEL.

Cash & Cash Equivalents:

At the end of the year cash & cash equivalent stood at ₹ 11,919.08 lacs as compared to ₹ 8,606.20 lacs at the end of the previous year.

Other Assets (current and non-current):

At the end of the year, other assets amounted to ₹ 1,926.87 lacs as against ₹ 3,888.17 lacs at the end of the previous year.

Revenue Analysis

During the year, revenue from operations stood at ₹ 33,471.49 lacs compared to ₹ 45,090.10 lacs in the previous year. Your Company mainly derived revenues from sale of IPR licenses, annual maintenance charges and project-based services, including software customization. In view of the developments at NSEL, the Company is unable to assess the ultimate collection with reasonable certainty of outstanding dues in respect of the services rendered to NSEL during the year, and on a prudent basis, the Company, to the extent of uncertainty involved, has not recognized the revenue of ₹ 1,542.53 lacs from these services. Further during the previous year ended March 31, 2013, there were onetime revenue on account of initial set up, upgrade & customization charges in respect of exchange technology.

Other Income

During the year, other income stood at ₹ 27,644.31 lacs compared to ₹ 20,651.99 lacs in the previous year. Other Income includes dividend from investments, interest on deposits and investments, profit on sale of investments, rental income, foreign exchange gains and miscellaneous income. As per the Regulatory requirement under Central Electricity Regulatory Commission (Power Market) (CERC) Regulations 2010, the Company was required to reduce its holding in an associate company viz. Indian Energy Exchange Limited (IEX) to 25%, accordingly, the Company has divested part of its investments during the year and the resultant profit of ₹ 6,989.14 lacs is included under Net gain on sale of investments.

Expense Review

During the year, employee benefits expenses were ₹ 12,275.19 lacs as compared to ₹ 12,410.70 lacs in the previous year.

During the year finance cost was at ₹ 3,053.82 lacs as compared to ₹ 4,283.74 lacs in the previous year, decrease mainly due to part pre-payment of External Commercial Borrowings (ECB) loans.

Other expenses during the year were ₹ 12,591.93 lacs as compared to ₹ 6,514.55 lacs in the previous year. The increase was mainly due to higher legal and professional charges and net loss on foreign currency transactions and translations.

In view of the developments in respect of its subsidiary NSEL, during the year ended 31st March, 2014, on conservative basis, the Company has made a provision towards diminution other than temporary in value of long term investments of ₹ 4,499.99 lacs for its investment in NSEL. A provision was also made on conservative basis for loan and advances of ₹ 21,433.06 lacs given to NSEL during the year which is dependent on the recovery by NSEL from its defaulting members and NAFED.

In view of the NSEL event, FMC declared the Company not a fit and proper person to hold shares in MCX, consequently, various other regulatory authorities also given direction to dispose of the Company's stake in the respective exchanges. Further the license of the exchange venture situated in Botswana, which had not yet commenced its operation, got cancelled. Considering these events and current scenario (without prejudice to Company's legal rights, the Company ideally would like to retain the investment to fetch its right price and not to sell in distress), your Company on a conservative basis has made an additional provision of ₹ 6,944.45 lacs towards provision for other than temporary diminution in the value of investments and ₹ 15,150.00 lacs towards doubtful loans and advances.

Profit/Loss

In view of the above provisions, your Company has reported loss during the year.

During the year,

- Loss before finance cost, depreciation and tax was ₹ 11,906.72 lacs, compared to Profit of ₹ 46,785.01 lacs in the previous year.
- Loss before tax was ₹ 18,035.40 lacs, compared to Profit of ₹ 40,247.28 lacs in the previous year.
- Loss after tax was ₹ 22,854.85 lacs, compared to Profit of ₹ 32,288.06 lacs in the previous year.

Excluding profit on Sale of Shares (net), diminution in long term investment, and provision for doubtful loans and advances to subsidiaries, during the year

- Profit before finance cost, depreciation and tax was ₹ 29,245.40 lacs, compared to ₹ 46,785.01 lacs in the previous year.
- Profit before tax was ₹ 23,116.72 lacs, compared to ₹ 40,247.28 lacs in the previous year.
- Profit after tax was ₹ 18,297.27 lacs, compared to ₹ 32,288.06 lacs 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.

Corporate Governance Report

CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance for the Financial Year 2013-14 as per the format prescribed by the Securities and Exchange Board of India (SEBI) and as incorporated in Clause 49 as per the Listing Agreement is set out hereunder:

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

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

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

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

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

2. BOARD OF DIRECTORS

2.1 Size and Composition of Board of Directors:

As on 31st March, 2014, the Board of Directors of the Company consists of seven (7) professionally competent members comprising two Promoters designated as Executive Directors, one Whole-time Director and four Independent Non-Executive Directors. The composition of the Board of Directors is as per the table given below:

Name of Director	Director Identification Number (DIN)	Designation	Category	Shareholding in the Company as of 31st March, 2014 (no. of shares[15])
Mr. Jignesh P. Shah	00064913	Chairman[13] & Managing Director	Promoter & Executive Director	8,329,585
Mr. Dewang Neralla	00107134	Whole-time Director	Promoter & Executive Director	60,374
Mr. Manjay P. Shah	01283910	Whole-time Director	Executive Director	76,918
Mr. Venkat Chary[1]	00273036	Non-Executive Chairman[14]	Independent, Non-Executive Director	Nil
Justice R. J. Kochar (Retd.)[2]	06710558	Additional Director	Independent, Non-Executive	Nil
Mr. A. Nagarajan[3]	02107169	Additional Director	Independent, Non-Executive	Nil
Mr. S. Rajendran[4]	02686150	Additional Director	Independent, Non-Executive	Nil
Mr. P. G. Kakodkar[5]	00027669	Director	Independent, Non-Executive	2,150
Mr. Chandrakant Kamdar[6]	00348385	Director	Independent, Non-Executive	Nil
Mr. R. Devarajan[7]	02604441	Director	Independent, Non-Executive	Nil
Mr. C. M. Maniar[8]	00034121	Director	Independent, Non-Executive	Nil
Mr. P. R. Barpande[9]	00016214	Director	Independent, Non-Executive	Nil
Mr. N. Balasubramanian[10]	00288918	Additional Director	Independent, Non-Executive	1,100
Mr. T. C. Nair[11]	02689698	Additional Director	Independent, Non-Executive	Nil
Mr. Ravi K. Sheth[12]	00022121	Director	Non-Independent, Non-Executive	2,489,762

1 Appointed w.e.f. 10/10/2013
2 Appointed w.e.f. 10/10/2013
3 Appointed w.e.f. 25/10/2013
4 Appointed w.e.f. 29/11/2013
5 Ceased w.e.f. 20/07/2013
6 Ceased w.e.f. 21/10/2013
7 Ceased w.e.f. 20/08/2013
8 Ceased w.e.f. 26/08/2013
9 Ceased w.e.f. 10/08/2013
10 Appointed w.e.f. 22/08/2013 and Ceased w.e.f. 27/08/2013
11 Appointed w.e.f. 14/09/2013 and Ceased w.e.f. 25/09/2013
12 Ceased w.e.f. 21/02/2014
13 Chairman till 07/05/2014
14 w.e.f. 08/05/2014
15 As on the date of cessation for ceased Directors

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

During the year, information required as per Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

2.2 Board Meetings

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

The Board of Directors met fourteen (14) times during the year. The dates of meetings being 22nd April 2013, 30th May 2013, 14th June 2013, 30th July 2013, 22nd August 2013, 26th August 2013, 20th September 2013, 23rd September 2013, 18th November 2013, 29th November 2013, 27th December 2013, 14th February 2014, 27th February 2014 and 31st March 2014.

Necessary quorum was present in all the meetings.

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 Directors at the Board Meetings held during FY 2013-14 as well as the last Annual General Meeting. It also gives details of the number of other Directorships and Chairmanship/Membership of Committees, such Directors hold in various Companies, as on 31st March, 2014.

Name of Director	No. of Board Meetings held during respective tenure of Director	Attendance Particulars		No. of other Directorships and Committee Membership / Chairmanship		
		Board Meeting	Last AGM	Directorships of Indian Public Companies	Committee Membership	Committee Chairmanship
Mr. Jignesh P. Shah	14	12	Yes	1	--	--
Mr. Dewang S. Neralla	14	14	Yes	10	--	2
Mr. Manjay P. Shah	14	12	No	1	--	--
Mr. Venkat Chary[1]	6	6	Yes	1	--	1
Justice R. J. Kochar (Retd.)[2]	6	4	Yes	--	--	--
Mr. A. Nagarajan[3]	6	5	Yes	1	--	--
Mr. S. Rajendran[4]	4	4	Yes	--	--	--

1. Appointed w.e.f. 10/10/2013 2. Appointed w.e.f. 10/10/2013 3. Appointed w.e.f. 25/10/2013 4. Appointed w.e.f. 29/11/2013

The table mentioned below gives the attendance record of ex-Directors (i.e. those who ceased to be Directors during the FY 2013-14) at the Board Meetings held during FY 2013-14 as well as the last Annual General Meeting. It also gives details of the number of other Directorships and Chairmanship/Membership of Committees, such Directors holds in various Companies, on the date of their cessation.

Name of Director	No. of Board Meetings held during respective tenure of Director	Attendance Particulars		No. of other Directorships and Committee Membership / Chairmanship		
		Board Meeting	Last AGM	Directorships of Indian Public Companies	Committee Membership	Committee Chairmanship
Mr. P. G. Kakodkar[1]	3	2	NA	4	2	--
Mr. Chandrakant Kamdar[2]	8	8	Yes	--	--	--
Mr. R. Devarajan[3]	4	3	NA	--	--	--
Mr. C. M. Maniar[4]	6	6	NA	11	7	--
Mr. Ravi K. Sheth[5]	12	9	No	2	1	--
Mr. P. R. Barpande[6]	4	4	NA	3	3	--
Mr. N. Balasubramanian[7]	2	1	NA	2	--	1
Mr. T. C. Nair[8]	2	1	NA	2	1	1

1. Ceased w.e.f. 20/07/2013
2. Ceased w.e.f. 21/10/2013
3. Ceased w.e.f. 20/08/2013
4. Ceased w.e.f. 26/08/2013.
5. Ceased w.e.f. 21/02/2014
6. Ceased w.e.f. 10/08/2013
7. Appointed w.e.f. 22/08/2013 and Ceased w.e.f. 27/08/2013
8. Appointed w.e.f. 14/09/2013 and Ceased w.e.f. 25/09/2013

Notes:

1. *None of the Directors of the Company hold memberships of more than ten committees nor are they Chairpersons of more than five committees (as specified in Clause 49), across all companies of which they are directors.*
2. *The committees considered for the above purpose are those as specified in the existing Clause 49 of the Standard Listing Agreement(s) i.e. Audit Committee, and erstwhile Shareholders'/Investors' Grievance & Share Transfer Committee.*
3. *The Company provided Audio-Video conferencing facility to Directors for attending the meetings. Mr. A. Nagarajan attended one meeting through Video Conferencing.*

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 Whole-time Director of the Company regarding compliance of the Code of Conduct by Directors and Senior Management of the Company for the financial year ended March 31, 2014 forms a part of the Corporate Governance Report.

d) Insider Trading Policy:

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

2.3 The details of directorship of the Company's Directors in other Indian public Companies as on 31st March 2014 are given below:

Sr. No.	Name of the Director	Other Directorship details
1	Mr. Jignesh P. Shah	(i) National Spot Exchange Ltd.
2	Mr. Dewang S. Neralla	(i) atom Technologies Ltd., (ii) Boursa India Ltd., (iii) Financial Technologies Communications Ltd., (iv) Global Payment Networks Ltd., (v) Credit Market Services Ltd., (vi) Riskraft Consulting Ltd., (vii) Tickerplant Ltd., (viii)Trans-Global Credit & Finance Ltd., (ix) FT Projects Ltd. (x) Takshashila Academia of Economic Research Ltd.
3	Mr. Manjay P. Shah	FT Projects Ltd.
4	Mr. Venkat Chary	Indian Energy Exchange Ltd.
5	Justice R. J. Kochar (Retd.)	Nil
6	Mr. A. Nagarajan	National Bulk Handling Corporation Ltd.
7	Mr. S. Rajendran	Nil

The details of directorship of the Company's ex-Directors' (i.e. those who ceased to be Directors during FY 2013-14) in other Indian public Companies on the date of their cessation are given below:

Sr. No.	Name of the Director	Other Directorship details
1	Mr. P. G. Kakodkar	Fomento Resorts and Hotels Ltd., Uttam Galva Steels Ltd, Accounts Receivables Management Services (India) Ltd, Apian Finance and Investment Ltd.
2	Mr. Chandrakant Kamdar	Nil
3	Mr. R. Devarajan	Nil
4	Mr. C. M. Maniar	(i) Hindalco Industries Ltd, (ii) The Indian Card Clothing Company Ltd, (iii) Pioneer Investcorp Ltd, (iv) Sudal Industries Ltd, (v) TCPL Packaging Ltd, (vi) Utkal Alumina International Ltd., (vii) Vadilal industries Ltd.(viii) Foods and Inns Ltd. (ix) Godfrey Philips India Ltd, (x) Gujarat Ambuja Exports Ltd. (xi) Multi Commodity Exchange of India Ltd.
5	Mr. Ravi K. Sheth	(i) Greatship (India) Ltd., (ii) The Great Eastern Shipping Co. Ltd.
6	Mr. P. R. Barpande	(i) Blossom Industries Ltd., (ii) Westlife Development Ltd. (iii) Multi Commodity Exchange of India Ltd.
7	Mr. N. Balasubramanian	(i) GTL Infrastructure Ltd. (ii) Bharat Wire Ropes Ltd.
8	Mr. T. C. Nair	(i) Axis Mutual Fund Trustee Limited, (ii) Star Union Dai-ichi Life Insurance Company Ltd.

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 & 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 foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- 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 three Independent Non-Executive Directors:

Name of the Member	Designation	Category
Mr. P. R. Barpande[1]	Chairman/Member	Independent Director
Mr. Chandrakant Kamdar[2]	Member	Independent Director
Mr. P. G. Kakodkar[3]	Member	Independent Director
Mr. R. Devarajan[4]	Member	Independent Director
Mr. Venkat Chary[5]	Chairman/Member	Independent Director
Justice R J Kochar (Retd.)[6]	Member	Independent Director
Mr. A. Nagarajan[7]	Member	Independent Director

1 Ceased w.e.f. 10/08/2013
2 Ceased w.e.f. 21/10/2013
3 Ceased w.e.f. 20/07/2013
4 Ceased w.e.f. 20/08/2013
5 Appointed as Chairman w.e.f. 30/10/2013
6 Appointed as member w.e.f. 30/10/2013
7 Appointed as member w.e.f. 30/10/2013

The Composition of the Audit Committee remains same as it is in compliance with the provisions of Section 292A of the Companies Act 1956 and Section 177 of the Companies Act 2013 and Clause 49 of the Listing Agreement.

3.2 Powers of the Audit Committee

- To call for comments on Auditor's Report, about internal control systems, the scope of the audit, including the observations of the auditors and review of financial statements before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.
- To investigate any activity within its terms of reference and shall have full access to the information and records of the Company.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

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

Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include,

3.3.1 Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

3.3.2 Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3.3.3 Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

3.3.4 Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act 1956 OR clause (c) of sub-section 3 of section 134 of the Companies Act, 2013, as may be applicable.

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Qualifications in the draft audit report

3.3.5 Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

3.3.6 Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

3.3.7 Review and monitor the auditor's independence and performance, and effectiveness of audit process;

3.3.8 Approval or any subsequent modification of transactions of the company with related parties;

3.3.9 Scrutiny of inter-corporate loans and investments;

3.3.10 Valuation of undertakings or assets of the company, wherever it is necessary;

3.3.11 Evaluation of internal financial controls and risk management systems;

3.3.12 Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

3.3.13 Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

3.3.14 Discussion with internal auditors of any significant findings and follow up there on;

3.3.15 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

3.3.16 Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

3.3.17 To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

3.3.18 To review the functioning of the Whistle Blower mechanism/Vigil Mechanism;

3.3.19 Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

3.3.20 Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

3.4 Review of information by Audit Committee

The Audit Committee reviews the following information:

3.4.1 Management discussion and analysis of financial condition and results of operations;

3.4.2 Statement of significant related party transactions, submitted by management;

3.4.3 Management letters / letters of internal control weaknesses issued by the statutory auditors;

3.4.4 Internal audit reports relating to internal control weaknesses; and

3.4.5 The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

3.5 Meetings and attendance:

The Audit Committee met five (5) times during the year. The maximum time gap between any two meetings was not more than four calendar months. The Chief Finance Officer, Partners/Representatives of the Statutory Auditors and the Internal Auditors were some of the invitees to the Audit Committee meetings. The Company Secretary of the Company acts as the secretary to the Committee.

Name of the Member	No. of Audit Committee Meetings held during the tenure of the Member	Attendance Particulars
Mr. P. R. Barpande*	2	2
Mr. Chandrakant Kamdar*	2	2
Mr. R. Devarajan*	2	2
Mr. P. G. Kakodkar*	1	1
Mr. Venkat Chary	3	3
Justice R. J. Kochar (Retd.)	3	2
Mr. A. Nagarajan	3	2

**upto the date of cessation mentioned elsewhere in this report.*

4. RISK MANAGEMENT

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

5. NOMINATION AND REMUNERATION COMMITTEE

The Remuneration and Compensation Committee has been renamed as Nomination and Compensation Committee to meet the requirement of Section 178 of the Companies Act 2013 and Clause 49 of the Listing Agreement w.e.f. 9th August 2014.

5.1 Composition, Names of Members and Chairperson:

The Nomination and Remuneration Committee comprises of three Independent Non-Executive Directors:

Name of the Member	Designation	Attendance Particulars
Mr. Venkat Chary[1]	Chairman[4]/Member	Independent Director
Justice R. J. Kochar (Retd.)[2]	Chairman[5]/Member	Independent Director
Mr. A. Nagarajan[3]	Member	Independent Director
Mr. Chandrakant Kamdar*	Chairman/Member	Independent Director
Mr. P. G. Kakodkar*	Member	Independent Director
Mr. R. Devarajan*	Member	Independent Director
Mr. P. R. Barpande*	Member	Independent Director

1 Appointed w.e.f. 30/10/2013
2 Appointed w.e.f. 30/10/2013
3 Appointed w.e.f. 18/11/2013
4 Chairman till 08/08/2014
5 Appointed as Chairman w.e.f. 09/08/2014
* upto the date of cessation as mentioned elsewhere in this report

5.2 Brief Description of terms of reference

The Role, terms of reference and powers of Nomination and Remuneration Committee (NRC), inter-alia, includes the following:

5.2.1 To identify persons who are qualified to become Directors and who may be appointed in the senior management;

5.2.2 To formulate a criteria for determining qualifications, positive attributes and independence of a director;

5.2.3 To recommend to the Board, appointment and removal of the identified directors and senior management personnel based on the laid down criteria and formulated policy;

5.2.4 To formulate criteria for evaluation of Independent Directors and the Board and shall carry out evaluation of every director's performance;

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

5.2.6 To devise a policy on the Board diversity;

5.2.7 To recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees;

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

5.2.9 To evaluate the remuneration paid by comparable organizations;

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

During the year, the Committee met two (2) times.

Name of the Member	No. of erstwhile Remuneration & Compensation Committee Meetings held during the tenure of the Director	Attendance Particulars
Mr. Chandrakant Kamdar*	1	1
Mr. R. Devarajan*	1	1
Mr. P. R. Barpande*	1	1
Mr. Venkat Chary	1	1
Justice R. J. Kochar (Retd.)	1	1
Mr. A. Nagarajan	1	1

**upto the date of cessation mentioned elsewhere in this report.*

5.3 Remuneration Policy:

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

The shareholders of the Company at their meeting held on 21st February 2014, have approved payment of commission to Non-executive Directors @ 1% of the eligible profit as per the relevant of the Companies Act 1956.

5.4 Directors' Remuneration

i. Remuneration paid to the Executive Directors:

The aggregate value of salary, perquisites paid for the year ended 31st March, 2014 to the Managing Director and Whole-time Directors are as follows:

(Amount in ₹)

Sr. No.	Particulars	Jignesh Shah Managing Director	Dewang Neralla Whole-time Director	Manjay Shah	Total (₹)
i	Salaries and Allowances*	29,351,002	23,270,845	29,278,682	81,900,529
ii	Monetary value of perquisites	39,600	10,800	39,600	90,000
iii	Provision for compensated absences	489,183	387,847	487,978	1,365,009
iv	Commission	45,000,000	-	-	45,000,000
	Total	**74,879,785**	**23,669,492**	**29,806,260**	**128,355,538**

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

Besides, the Managing Director and the Whole-time Directors are also entitled to retirement benefits and encashment of leave, as per the rules of the Company. Notice period of one month is required for Mr. Jignesh Shah and Mr. Dewang Neralla whereas three months' notice is required in case of Mr. Manjay Shah, as per the terms of appointment. No fee/compensation is payable to the Directors on severance of directorship of the Company.

ii. Remuneration paid to the Non-Executive Directors

The Company pays sitting fees of ₹ 20,000/- per meeting to the Non-executive Directors for attending the meetings of the Board and of the Audit Committee and ₹ 10,000/- per meeting to the Non-executive Directors for attending the erstwhile Remuneration and Compensation Committee and Shareholders/Investors' Grievances and Share Transfer Committee. The gross sitting fees (including sitting fees paid for attending the meetings of the Directors' Committee) for the year ended 31st March, 2014 is as follows:

Name of the Director	Gross Sitting Fees (₹)
Mr. P. G. Kakodkar*	60,000
Mr. Chandrakant Kamdar*	2,10,000
Mr. R. Devarajan*	1,10,000
Mr. C. M. Maniar*	1,30,000
Mr. Ravi K. Sheth*	1,80,000
Mr. P. R. Barpande*	1,30,000
Mr. N. Balasubramanian*	20,000
Mr. T. C. Nair*	20,000
Mr. Venkat Chary	1,90,000
Justice R. J. Kochar (Retd.)	1,30,000
Mr. A. Nagarajan	1,50,000
Mr. S. Rajendran	80,000

**upto the date of cessation as mentioned elsewhere in this report.*

Commission to Non-executive Directors has been provided in the books for an amount of ₹ 166 lacs. During the year, the Non-Executive Directors were not issued any stock options by the Company. For the details of shares held by Directors, refer section 2.1 of this Report.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Shareholders'/Investors' Grievance and Share Transfer Committee has been renamed as Stakeholders Relationships Committee w.e.f. 9th August in compliance with Section 178(5) of the Companies Act 2013 and amended Clause 49 of the Listing Agreement.

6.1 Composition, Names of Members and Chairperson:

The Committee comprises of:

Name of the Member	Designation	Category
Mr. C. M. Maniar*	Chairman/Member	Independent Director
Mr. Dewang S. Neralla	Member	Whole-time Director
Mr. Manjay P. Shah	Member	Whole-time Director
Justice R. J. Kochar (Retd.)[1]	Chairman/Member	Independent Director
Mr. Venkat Chary[2]	Member	Independent Director

1 Appointed as Chairman w.e.f. 30/10/2013
2 Appointed as Member w.e.f. 30/10/2013
* *upto the date of cessation as mentioned elsewhere in this report.*

6.2 Compliance Officer:

Mr. Hariraj S. Chouhan, Vice-President & Company Secretary is the Compliance Officer and can be contacted at FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai – 400 093.

T: +91-22-6686 8010 | F: +91-22-67250257 | E: info@ftindia.com

6.3 Brief Description of terms of reference:

The Scope of the Committee inter-alia includes:

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

6.3.2 Consideration and resolution / redressal of the grievances of the security holders of the Company

The Committee met Two (2) times during the year under review.

The status of nature of complaints received, resolved and pending during the financial year ended 31st March, 2014.

Nature of Complaints	Received	Resolved	Pending
1) Non receipt of dividend	19	19	NIL
2) Non-receipt of share certificates after transfer/merger/split/ consolidation	8	8	NIL
3) Non-receipt of Annual Report	3	3	NIL
4) SEBI/BSE/NSE	4	4	NIL
Total	**34**	**34**	**NIL**

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, 2014.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company constituted a committee namely "Corporate Social Responsibility Committee" as on 9th August 2014 in terms of Section 135 of the Companies Act 2013 read with Clause 49 of the Listing Agreement.

7.1 Composition, Names of Members and Chairperson:

The Committee comprises of:

Name of the member	Designation	Category
Justice R. J. Kochar (Retd.)	Chairman/Member	Independent Director
Mr. Dewang S. Neralla	Member	Whole-time Director
Mr. S. Rajendran	Member	Independent Director

7.2 Brief Description of terms of reference:

7.2.1 To recommend CSR Policy which inter-alia, elucidates activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;

7.2.2 To recommend amount to be spent on above activities;

7.2.3 To recommend monitoring of CSR Policy.

8. GENERAL BODY MEETINGS

8.1 The date, time and venue for the last three Annual General Meetings (AGM) are mentioned hereunder:

Financial Year	Date	Time	Venue of the meeting
2010-11	29-09-2011	10.30 a.m.	Sri P. Obul Reddy Hall (Vani Mahal) 103, G.N. Chetty Road, T. Nagar., Chennai – 600017.
2011-12	27-09-2012	10.30 a.m.	Sri P. Obul Reddy Hall (Vani Mahal) 103, G.N. Chetty Road, T. Nagar., Chennai – 600017.
2012-13	25.09.2013	2.00 p.m.	Sri P. Obul Reddy Hall (Vani Mahal) 103, G.N. Chetty Road, T. Nagar., Chennai – 600017.
	21.02.2014*	2.00 p.m.	Tapovan Hall, Chinmaya Heritage Centre, No. 2, 13th Avenue, Harrington Road, Chetpet, Chennai - 600 031.

**Adjourned AGM*

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

Financial Year	Date of AGM	Particulars
2010-11	29-09-2011	(i) Consent of the Shareholders for issuing / offering Depository Receipts/other equity related instruments through International/Domestic Public Offering not exceeding ₹ 1000 crore.
2011-12	27-09-2012	i) Re-appointment of Mr. Jignesh Shah as the Managing Director; ii) Re-appointment of Mr. Dewang Neralla as the Whole-time Director; iii) Appointment of Mr. Manjay Shah as the Whole-time Director;

Financial Year	Date of AGM	Particulars
2012-13	25.09.2013	i) Consent of the Shareholders for granting ESOPs exercisable into equity shares not exceeding 900000 or 2% of paid-up share capital of the Company under ESOP Scheme 2013 to the eligible employees of the Company. ii) Consent of the Shareholders for granting ESOPs exercisable into equity shares not exceeding 900000 or 2% of paid-up share capital of the Company under ESOP Scheme 2013 to the eligible employees of the Subsidiary/ies. iii) Consent of the Shareholders for issuance and allotment of shares or other securities to Foreign/domestic investors in form of GDRs/ADRs, FCCBs etc. for an amount not exceeding ₹ 1000 crores. iv) Consent of the Shareholders for investment in securities of FT Projects Limited upto ₹ 50 Crores and to give loans and/or guarantees and/or provide security under Section 372A of the Companies Act 1956 upto ₹ 100 Crores to FT Projects Limited, a wholly owned subsidiary of the Company.
	21.02.2014 (adjourned AGM)	i) Consent of the Shareholders for approval of payment of commission to Non-executive Directors of the Company upto 1% of the Company's net profit as computed in accordance with Sections 349 and 350 of the Companies Act 1956, from F.Y. 2013-14 onwards.

8.2 Postal Ballot:

During the year under review, the Company sought approval of shareholders on the special resolution pertaining to sale of shares held by the Company in National Bulk Handling Corporation Limited (NBHC), a subsidiary of the Company through postal ballot vide its Postal Ballot Notice dated March 14, 2014 sent to the Shareholders in accordance with the rules issued by Ministry of Corporate Affairs.

An e-voting facility was also made available to the shareholders. The Board of Directors of the Company, appointed Mr. B. Narasimhan, Partner of M/s. KBNT & Associates, Company Secretaries, Mumbai, as Scrutinizer, for conducting the said Postal Ballot process in a fair and transparent manner. Subsequent to the submission of the Scrutinizers' report, the results of the Postal Ballot were announced on April 25, 2014 at the Corporate Office of the Company by the Chairman and Managing Director and the aforesaid resolution was passed with 99.95% majority.

However, no business is required to be transacted through postal ballot at the forthcoming Annual General Meeting.

8.3 Disclosures:

8.3.1 The Company has not entered into any transaction of material nature with the Promoter, Directors or Management, or their relatives which may have potential conflict of interest with the Company at large. There were no material transactions with related parties that may have any potential conflict with the interest of the Company at large. Apart from receiving sitting fees and Non-executive Directors' commission, subject to approval of shareholders, there is no pecuniary transaction with the Independent / Non-Executive Directors. Transactions with related parties are disclosed in Note No. 37 to the Standalone Accounts in the Annual Report.

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

During the year, the Company received letter from the Regional Director, Southern Region, Chennai, Ministry of Corporate Affairs ("MCA") regarding inspection of records under section 209A of the Companies Act, 1956 ("Companies Act") and also for technical scrutiny of the Company's balance sheet FY12-13 and explanation sought under section 234(1) of Companies Act. Post inspection, ROC issued show cause notices to the Company highlighting certain non-compliances under the Companies Act 1956. The Company replied to the said show cause notices and as abundant caution, filed 7 (Seven) applications for compounding of the said non-compliances.

8.3.3 A preliminary enquiry was been registered in Central Bureau of Investigation (CBI), Economic Offences Wing, Mumbai in respect of the allegations relating to granting of permission for MCX-SX and providing renewal of recognition as stock exchange resulting in pecuniary gain to MCX-SX. The Company has provided all the necessary information.

8.3.4 The Company has received letter from Directorate of Enforcement under Foreign Exchange Management Act, 1999 requesting the Company to furnish certain information in connection with certain investigations and the same is furnished.

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

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

(a) Nomination and Remuneration Committee: For further details please refer clause 5 of this report.

(b) Auditor's qualification: The Auditors' qualifications and the management reply to the sam have been disclosed in the Directors' Report. Therefore, to avoid the repetition, same are not being reproduced here.

(c) Emphasis of Matter: Nil

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

9. SUBSIDIARY COMPANIES:

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

10. MEANS OF COMMUNICATION

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

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

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

10.4 The Company's financial results, shareholding pattern, corporate announcements, etc., are filed electronically on BSE Listing Centre, an electronic filing platform developed and provided by BSE. Similarly, filings like shareholding pattern, corporate governance report etc are filed electronically on NEAPS, an electronic filing application developed by NSE.

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

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

11. GENERAL SHAREHOLDER INFORMATION

11.1 Annual General Meeting:

Date : 23rd September 2014,

Time : 2.00 p.m.

Venue : Kasturi Srinivasan Hall, The Music Academy, Madras, New no. 168 (old no. 306), TTK Road, Chennai - 600 014

11.2 Financial Calendar:

Financial Year 1st April, 2014 to 31st March, 2015

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

30th June, 2014	By or before 14th August, 2014
30th September, 2014	By or before 14th November, 2014
31st December, 2014	By or before 14th February, 2015
31st March, 2015	By or before 30th May, 2015 (audited figures) as per Stock Exchange Listing Agreement

11.3 Book-Closure Date and Dividend Disclosure:

a) The Books shall be closed from 20th September 2014 to 23rd September 2014 (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 19th September 2014, as per the details available with NSDL & CDSL, and
- on the Register of Members as on 19th September 2014, of owners holding shares in physical form.

b) Announcement of Dividend:

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

c) Mode of Payment and Date of Payment:

Final dividend shall be remitted through National Electronic Clearing Service (NECS)/ Electronic Clearing Service (ECS)/National Electronic Funds Transfer (NEFT)/Direct Credit (DC) at approved locations, wherever NECS/ECS/NEFT/DC 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 3 months from the date of issue. Post-expiry of validity period, these may be sent to the Company's Corporate office at FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai -400 093, for issuance of Demand draft / Bankers cheque in lieu of expired warrants.

Date of Payment: Within the statutory time limit.

11.4 Listing:

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

The Global Depository Receipts were 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. The Global Depository Receipts have been delisted from the Luxembourg Stock Exchange w.e.f. 05th June 2014.

The Company received a letter dated 12th June 2014 from Madras Stock Exchange informing their decision of voluntary exit as a stock exchange and requesting Company to delist its securities from the exchange in compliance with the provisions of SEBI (Delisting of Equity Shares) Regulations 2009.

As on 31st March, 2014, there were 58,362 shareholders of the Company.

11.5 Stock Market Codes:

a) Trading Symbol:

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

since delisted w.e.f. 05th June 2014.

b) Depository for Equity Shares : NSDL and CDSL

c) Demat ISIN Number

- Equity share : INE111B01023

d) GDR Security Numbers

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

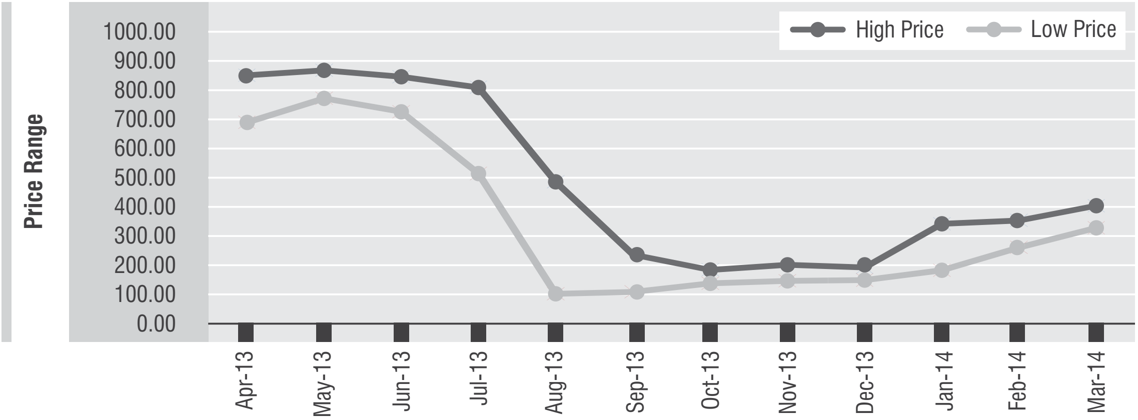
11.6 Stock Market Data:

(Amount In ₹)

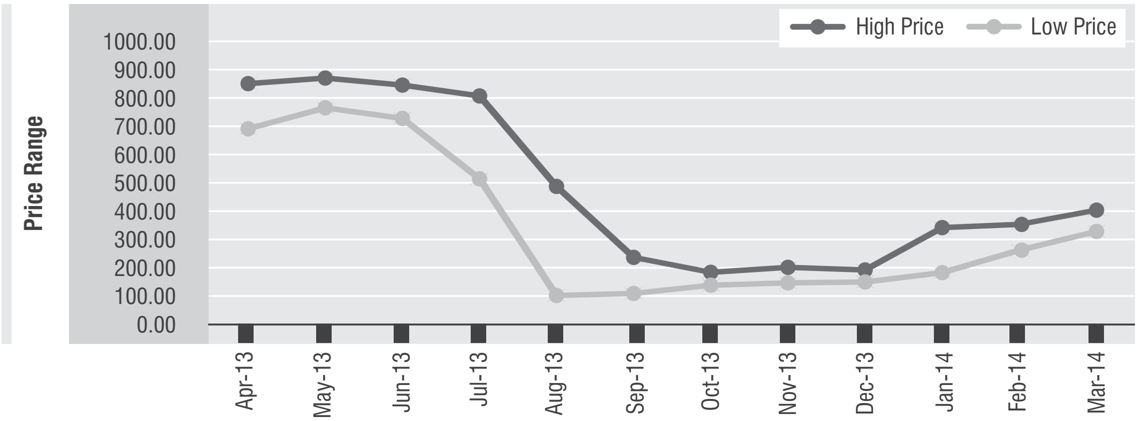
	National Stock Exchange			Bombay Stock Exchange		
Month & Year	High Price	Low Price	Volume Nos.	High Price	Low Price	Volume Nos.
Apr-13	850.65	689.50	4,349,258	850.60	691.10	908,610
May-13	867.80	771.65	4,016,760	870.30	765.00	865,414
Jun-13	845.95	725.70	3,884,982	845.50	728.05	820,824
Jul-13	808.90	513.95	12,034,966	806.90	514.10	2,378,596
Aug-13	485.90	102.10	185,418,583	487.40	102.05	59,666,402
Sep-13	236.40	108.60	137,759,180	236.40	109.00	51,520,731
Oct-13	183.80	138.00	59,299,850	183.80	138.00	23,482,311
Nov-13	201.50	146.50	31,458,332	201.40	146.60	13,358,477
Dec-13	192.40	149.25	25,754,291	192.20	149.40	11,787,936
Jan-14	341.95	182.90	81,208,881	342.00	182.80	31,507,437
Feb-14	353.45	261.10	22,781,998	353.20	262.00	10,258,498
Mar-14	403.90	328.00	23,545,820	403.60	328.15	12,332,421

The market price data is given below, covering the period April 2013 to March 2014

NSE Price



BSE Price



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

Performance of the Company's shares vis-à-vis Sensex and CNX Nifty at a common base of 100 for the year-ended 31st March 2014 is given in the chart below:

Chart showing FTIL price in BSE vs Sensex

(At a common base of 100 from April 2013 to March 2014)

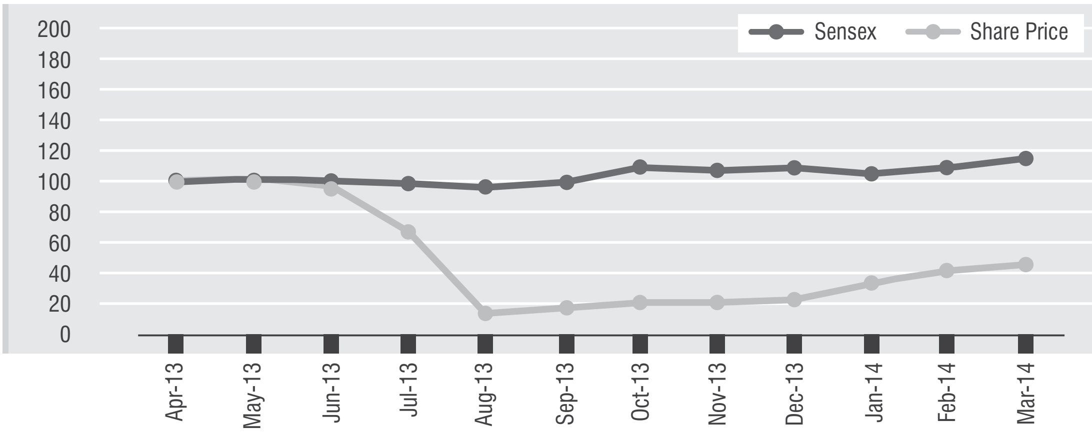
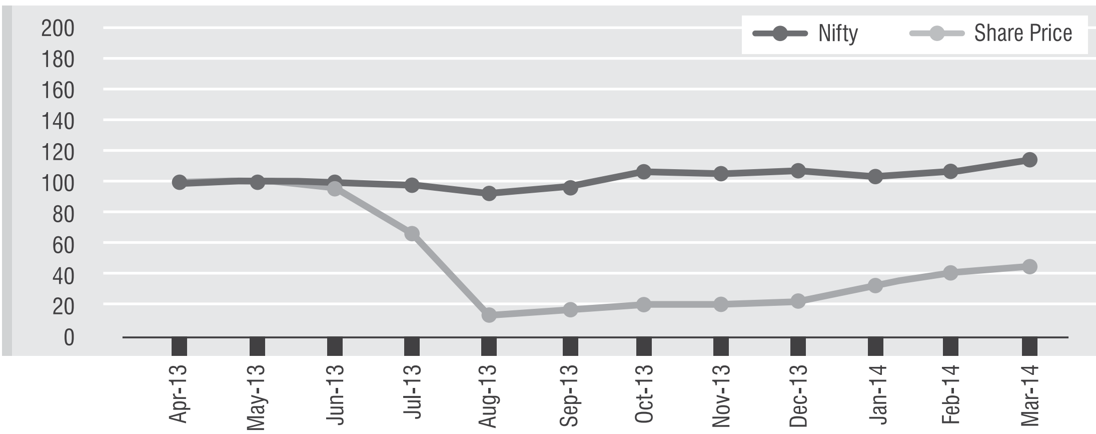


Chart showing FTIL price in NSE vs Nifty

(At a common base of 100 from April 2013 to March 2014)



11.8 **Registrar & Transfer Agent:**

Karvy Computershare Private Limited, Plot No. 17 to 24, Vithalrao Nagar,
Madhapur, Hyderabad -500081.

T: +91 040 2342 0818 | F: +91 040 2342 0814 | E: igkcpl@karvy.com

11.9 **Share Transfer System:**

Shares sent for transfer in physical form are 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.

11.10 **Dematerialisation of Shares and Liquidity:**

The shares of the Company are compulsorily traded in dematerialized (electronic) form and available for trading under both the Depositories viz. NSDL and CDSL. As on 31st March, 2014, a total of 45,947,059 equity shares of the Company were dematerialised, forming 99.71% of the Company's total Share Capital.

Description	Holders	%	Shares	% Equtiy
PHYSICAL	457	0.78	131478	0.29
NSDL	37097	63.57	42844594	92.98
CDSL	20808	35.65	3102465	6.73
Total:	**58362**	**100.00**	**46078537**	**100.00**

Go Green Initiative:

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

11.11 Distribution of Shareholding and Shareholding Pattern as on 31st March, 2014

FINANCIAL TECHNOLOGIES (I) LTD					
Distribution of Shareholding as on 31/03/2014 (TOTAL)					
Sr. no	**Category (Shares)**	**No. of Holders**	**% To Holders**	**No. of Shares**	**% To Equity**
1	1- 500	56254	96.39	3152286	6.84
2	501 - 1000	1071	1.84	815756	1.77
3	1001 - 2000	505	0.87	736604	1.60
4	2001 - 3000	182	0.31	458663	1.00
5	3001 - 4000	73	0.13	263280	0.57
6	4001 - 5000	59	0.10	279859	0.61
7	5001 - 10000	85	0.15	594540	1.29
8	10001 & Above	133	0.23	39777549	86.33
	TOTAL	**58362**	**100.00**	**46078537**	**100.00**

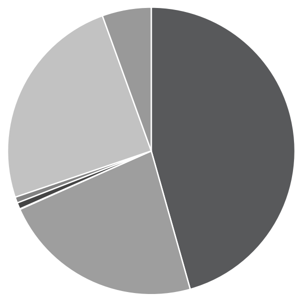
Shareholding Pattern:

	As on 31st March, 2014	No. of Shares Held	No. of Shares Held
A.	**Promoter's Holding**		
	Indian Promoters :	21,025,878	45.63
	(Promoters, Directors, their relatives and		
	companies under their control)		
	Foreign Promoters	----	-----
	Sub Total (A)	**21,025,878**	**45.63**
B.	**Public Shareholding:**		
	Institutional Investors:		
	a) Mutual Funds	1254	0.00
	b) Banks	90099	0.20
	b) Foreign Institutional Investors	10,337,750	22.44
	c) Financial Institutions	29674	0.06
	Non-Institutional Investors:		
	a) Private Corporate Bodies	2,542,195	5.52
	b) Indian Public	11,378,485	24.69
	c) NRIs	311,020	0.67
	d) Others	335,701	0.73
	Subtotal (B)	**25,026,178**	**54.31**
	GDRs underlying Equity shares	26,481	0.06
	Subtotal (C)	**26,481**	**0.06**
	GRAND TOTAL (A+B+C)	**46,078,537**	**100.00**

Notes:

1. *The Company issued 11,639,677 GDRs in F.Y. 2007-08, whereby seven GDRs represent one equity share of a nominal value of ₹ 2/- each.*
2. *The total foreign holding is 10,675,251 shares, i.e. 23.17% of the total share capital.*

Shareholding Pattern



■	Indian Promoters	**45.63%**
■	Institutional Investors	**22.7%**
■	GDRs	**0.06%**
■	Others	**0.73%**
■	NRI's	**0.67%**
■	Indian Public	**24.69%**
■	Private Corporate Bodies	**5.52%**

11.12 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 except matters referred in Clause 8.3.2.

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

11.13.1 Employee Stock Option Scheme (ESOP):

During the financial year 2011-12, the erstwhile Remuneration and Compensation Committee ('Committee') under ESOP Schemes 2009 and 2010, granted 18,00,000 stock options to various employees/Directors at an exercise price of ₹ 770/- per share. Further, from the available options out of lapsed/cancelled stock options on March 05, 2013, the Committee granted 74,350 and 1,12,280 stock options under ESOP Scheme 2009 and ESOP Scheme 2010 respectively, at an exercise price of ₹ 807.70 per share.

During the Financial Year 2013-14, 2,78,005 and 2,77,549 options were lapsed/forfeited and no options were granted during the Financial Year 2013-14 under ESOP Scheme 2009 and ESOP Scheme 2010 respectively. As on 31st March 2014, 6,14,495 and 6,03,406 stock options under ESOP Scheme 2009 and ESOP Scheme 2010 respectively, are in force.

The erstwhile Remuneration and Compensation Committee at its meeting held on 06th August 2014 approved the re-pricing of outstanding Options granted under the ESOP 2009 and 2010 schemes. The Options shall be re-priced at a discount of 25% on the closing price of the day prior to the meeting of the Nomination and Remuneration Committee to be held, post approval of shareholders in the ensuing AGM. The erstwhile Remuneration and Compensation Committee also approved the extension of exercise period of outstanding Options granted under the 2009 and 2010 schemes for a period of 3 years from the vesting date.

11.13.2 Global Depository Receipts (GDRs)

The outstanding GDR as on 31st March, 2014 were 1,85,367. The GDRs were delisted from the Luxembourg Stock Exchange w.e.f. 5th June 2014.

11.14 Corporate Identity Number of the Company as allotted by Ministry of Corporate Affairs is L29142TN1988PLC015586. Company is registered in state of Tamil Nadu.

12. LOCATION OF OFFICES:

1. **Chennai:** Shakti Tower -1, 7th Floor, Premises E, 766, Anna Salai, Thousand Lights, Chennai – 600 002.
2. **Mumbai:** FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai- 400093.

13. INVESTOR CORRESPONDENCE:

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

a) **Complaints / grievances, if any, should be addressed to**
Vice President & Company Secretary

Financial Technologies (India) Ltd.
FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai - 400 093.
T: +91 22 6686 8010 | F: +91 22 67250257 | E: info@ftindia.com

b) **Financial queries, if any, should be addressed to**
Investor Relations Department

Financial Technologies (India) Ltd.
FT Tower, CTS No. 256 & 257, Suren Road, Chakala, Andheri (East), Mumbai 400 093.
T: +91 22 6686 8010 | F: +91 22 67250257 | E: info@ftindia.com

14. UNPAID/UNCLAIMED DIVIDEND:

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

During the year, your Company transferred amount to Investor Education and Protection Fund (IEPF) as per the table below:

For FY	Nature	Transfer to IEPF on	Amount (in INR)
2006-07	1st Interim (Q1)	30-Sep-13	139972.00
2005-06	Final	26-Nov-13	456191.00
2006-07	2nd Interim (Q2)	30-Dec-13	83181.00
2006-07	3rd Interim (Q3)	31-Mar-14	106799.00

Further, your Company transferred ₹2,97,065/- (Rupees Two lacs ninety seven thousand sixty five only) for 4th interim dividend for FY 2006-07 on 6th June 2014.

Shareholders of the Company who have either not received or have not encashed their dividend warrants, for Final Dividend 2006-07, Interim and Final Dividend 2007-08, Interim and Final Dividend 2008-09, Interim and Final Dividend 2009-10, Interim and Final Dividend 2010-11, Interim and Final Dividend 2011-12, and Interim and final dividend 2012-13 and Interim dividend for FY 2013-14, are requested to claim the unpaid/unclaimed dividend from the Company / Share Transfer Agent of the Company before it is transferred to the IEPF.

Particulars	Rate of Dividend	Date of Declaration	Due for Transfer on or before	Outstanding Amount (in INR) (as on 30/06/2014)
Final Dividend 2006-07	100%	28th September, 2007	02nd December, 2014	207552.00
1st Interim Dividend 2007-08	50%	31st July, 2007	04th October, 2014	102036.00
2nd Interim Dividend 2007-08	350%	31st October, 2007	04th January, 2015	674394.00
3rd Interim Dividend 2007-08	400%	17th January, 2008	23rd March, 2015	684232.00
Final Dividend 2007-08	200%	28th August, 2008	02nd November, 2015	373520.00
1st Interim Dividend 2008-09	200%	31st July, 2008	05th October, 2015	391188.00
2nd Interim Dividend 2008-09	100%	31st October, 2008	05th January, 2016	219390.00
3rd Interim Dividend 2008-09	100%	24th January, 2009	30th March, 2016	236334.00
Final Dividend 2008-09	100%	25th September, 2009	29th November, 2016	211710.00
1st Interim Dividend 2009-10	100%	30th July, 2009	03rd October, 2016	282154.00
2nd Interim Dividend 2009-10	100%	29th October, 2009	02nd January, 2017	224672.00
3rd Interim Dividend 2009-10	100%	29th January, 2010	04th April, 2017	193448.00
Final Dividend 2009-10	100%	29th September,2010	03rd December 2017	195684.00
1st Interim Dividend 2010-11	100%	11th August, 2010	15th October 2017	209552.00
2nd Interim Dividend 2010-11	100%	09th November, 2010	13th January 2018	261868.00
3rd Interim Dividend 2010-11	100%	27th January, 2011	2nd April 2018	239296.00
Final Dividend 2010-11	100%	29th September,2011	03rd December 2018	201036.00
1st Interim Dividend 2011-12	100%	10th August 2011	14th October 2018	211368.00
2nd Interim Dividend 2011-12	100%	11th November 2011	15th January 2019	234042.00
3rd Interim Dividend 2011-12	100%	31st January 2012	06th April 2019	231042.00
Final Dividend 2011-12	100%	27th September 2012	02nd December, 2019	254568.00
1st Interim Dividend 2012-13	100%	6th August 2012	11th October 2019	253556.00
2nd Interim Dividend 2012-13	100%	31st October 2012	05th January, 2020	232314.00
3rd Interim Dividend 2012-13	100%	28th January 2013	3rd April 2020	241770.00
1st Interim Dividend 2013-14	100%	30th July 2013	3rd October 2020	292538.00
2nd Interim Dividend 2013-14	100%	29th November 2013	2nd February 2021	395262.00
3rd Interim Dividend 2013-14	100%	14th February 2014	20th April 2021	285930.00
Final Dividend 2012-13	100%	21st February 2014*	27th April 2021	373262.00

**Declared at the Adjourned AGM of the Company*

15. 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 Appointment/Re-appointment:

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

Directors retiring by rotation, being eligible, offering themselves for appointment/re-appointment					
Name of the Director	**Mr. Venkat Chary**	**Justice R. J. Kochar (Retd.)**	**Mr. A. Nagarajan**	**Mr. S. Rajendran**	**Mr. Dewang Neralla**
Date of Birth	14/04/1940	21/10/1941	17/07/1948	12/01/1952	24/01/1969
Date of appointment on the Board	10/10/2013	10/10/2013	25/10/2013	29/11/2013	31/01/2012
Qualifications	B. Com. (Hons.) M. Com. (Cost Accountancy), LL.B., Diplome in Economics and Finance at Ecole National 'Administration, IAS (Retd.)	B. Com., LL.M., (Retd. Judge of Bombay High Court)	B.Sc., MBA, Post Graduate Diploma in Development Studies from University of Bath, B.L., Post Graduate Diploma (Intellectual Property Laws), M. Phil., M.L. (Intellectual Property Laws), IAS (Retd.)	M. Com., CAIIB	B.E.
Expertise in specific functional area	Extensive experience in Administration and Management, legal and finance.	Extensive experience in Labour and Industrial laws, Arbitration etc.	Extensive experience in Administration and Management	Commercial Banking and Enterprise-wise Risk Management	Chief Technology Architect and co-founder of the Company and plays a large part in creating the technology infrastructure that is central to the Group.
Directorship held in other companies (excluding foreign and private companies)	Indian Energy Exchange Ltd.	NIL	NIL	NIL	(i) atom Technologies Ltd., (ii) Boursa India Ltd., (iii) Financial Technologies Communications Ltd., (iv) Global Payment Networks Ltd., (v) Credit Market Services Ltd., (vi) Riskraft Consulting Ltd., (vii) Tickerplant Ltd., (viii) Trans-Global Credit & Finance Ltd., (ix) FT Projects Ltd. (x) Takshashila Academia of Economic Research Ltd.
Membership/ Chairmanship of committees across public companies	Indian Energy Exchange Ltd.- Chairman Audit Committee	NIL	NIL	NIL	(i) Atom Technologies Ltd.- Chairman Audit Committee (ii) TickerPlant Ltd.-Chairman Audit Committee
Number of shares held in the Company	NIL	NIL	NIL	NIL	60374

Place: Mumbai
Date: 9th August, 2014

DECLARATION BY THE WHOLE-TIME DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE TO THE CODE OF CONDUCT

I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2014.

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

Place: Mumbai
Date: 9th August, 2014

Dewang Neralla
Whole-time Director

CERTIFICATION OF FINANCIAL STATEMENTS OF THE COMPANY BY THE WHOLE-TIME DIRECTOR AND THE CHIEF FINANCIAL OFFICER (CFO)

We, Dewang Neralla, Whole-time 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, 2014 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.

Dewang Neralla	**Devendra Agrawal**
Whole-time Director	Chief Financial Officer

Place: Mumbai
Date: 30th May, 2014

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of

FINANCIAL TECHNOLOGIES (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by Financial Technologies (India) Limited ("the Company") for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

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

For Sharp & Tannan Associates
Chartered Accountants
Firm's registration no.109983W
By the hand of

Tirtharaj Khot
Partner
Membership No.(F) 037457

Place: Mumbai
Date: 9th August, 2014

Financials

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FINANCIAL TECHNOLOGIES (INDIA) LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **FINANCIAL TECHNOLOGIES (INDIA) LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

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

3. In view of the aforesaid communications dated 20th September, 2013 and 21st September, 2013 from the management and the auditors of NSEL, respectively, provided to us by the Management of the Company, in accordance with the provisions of Standard on Auditing (SA) 560 – Subsequent Events, issued by the Institute of Chartered Accountants of India (ICAI), we communicated to the Management and those charged with Governance of the Company on 23rd September, 2013 that our audit report dated 30th May, 2013 on the financial statements of the Company for the year ended 31st March, 2013 should no longer be relied upon. Subsequently, by our audit report dated 29th November, 2013, we issued a qualified opinion on the financial statements (as amended) of the Company for the year ended 31st March, 2013 which comprised the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, and the supplementary notes which are an addendum to the accompanying notes 1 to 48 to the financial statements for the year ended 31st March, 2013 and which have been approved by the Board of Directors of the Company at their meeting held on 29th November, 2013 [together "the financial statements (as amended)"].

   As represented to us by the Management of the Company, the audited financial statements of NSEL for the years ended 31st March, 2013 and 31st March, 2014 are not yet available.

Management's Responsibility for the Financial Statements

4. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

5. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

7. *Except as indicated in the Basis for Qualified Opinion paragraphs below,* we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FINANCIAL TECHNOLOGIES (INDIA) LIMITED

Basis for Qualified Opinion

8. The following matters were qualified in our audit report dated 29th November, 2013, on the financial statements (as amended) for the year ended 31st March, 2013 and continue to be subject matters of qualification:

(a) As stated in Note 52 to the financial statements, the Company had recognised income of Rs. 3,452.00 lacs during the year ended 31st March, 2013 from rendering of various services to NSEL, which included a variable component of Rs. 2,927.60 lacs. As on 31st March, 2013, the total amount receivable from NSEL on this account was Rs. 2,489.27 lacs, which has been realised subsequently during the current financial year.

The above variable component comprised:

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

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

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

In view of our aforesaid comments and in the absence of sufficient appropriate audit evidence, particularly, in the absence of the audited financial statements of NSEL for the year ended 31st March, 2013, which we could have placed reliance on to validate the underlying elements of revenue and gross profits of NSEL based on which the above mentioned variable component of revenue were derived and accounted for by the Company, significant uncertainty exists regarding the amount of the consideration that could be derived from rendering the service and, hence, we are unable to determine the extent to which the above mentioned revenue aggregating Rs. 2,927.60 lacs should be de-recognised in the Statement of Profit and Loss for the year ended 31st March, 2014 and postponed by the Company, in compliance with the recognition and measurement principles stated in Accounting Standard (AS) 9, 'Revenue Recognition'.

(b) As stated by the Management of the Company in Note 55 to the financial statements, Writ Petitions, Public Interest Litigations, Civil Suits have been filed against the Company in relation to the NSEL event, wherein the Company has been made a party in the Writ Petitions and Civil Suits, and these matters are pending adjudication. In addition, there is a First Information Report registered, inter alia, against the Company with the Economic Offences Wing. Further, as stated in the said Note 55 to the financial statements, based on legal advice, the Management of the Company does not foresee that the parties who have filed the Writ Petitions, Public Interest Litigations, Civil Suits would be able to sustain any claim against the Company. In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said Note 55 to the financial statements, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the financial statements.

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

(c) No provision was considered necessary by the Management of the Company for diminution in the value of the Company's long-term investment in NSEL of Rs. 4,499.99 lacs as at 31st March, 2013.

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

However, as stated in Note 51 to the financial statements, during the year ended 31st March, 2014, on a conservative basis, the Company has made a provision, towards diminution, other than temporary, in the value of the entire amount of its long term investment of Rs. 4,499.99 lacs in NSEL and has charged the same to the Statement of Profit and Loss for the year ended 31st March, 2014.

9. We are informed that, on the directions of the Forward Markets Commission, a special audit was carried out by an external agency in respect of Multi Commodity Exchange of India Limited (MCX) covering, inter alia, the agreements and transactions between MCX and the Company. MCX has, on 26th May, 2014, submitted the scanned copy of the special audit report dated 21st April, 2014 for dissemination on the website of BSE Limited (Refer Note 59 to the financial statements).

We are unable to comment on the consequential impact, if any, in respect of the above matter on these financial statements.

10. *As stated in Note 50 to the financial statements, the Company has investments in certain subsidiaries and a jointly controlled entity, aggregating Rs. 12,590.95 lacs and has granted loans and advances to / receivables from these entities, aggregating Rs. 90,758.89 lacs [which exclude NSEL and its subsidiaries – refer paragraph 8 (c) above]. The net worth of most of these entities has been eroded/substantially eroded. A provision / adjustment of Rs. 8,681.71 lacs (including Rs. 6,944.45 lacs during the year) has been made, inter alia, for diminution, other than temporary, in the value of investments and a provision of Rs. 15,150.00 lacs has been made during the year for doubtful loans and advances, which the Management of the Company considers to be adequate.*

    In the absence of sufficient appropriate audit evidence, particularly, in the absence of a fair valuation of the aforesaid investments at the balance sheet date being provided to us, we are unable to determine the adequacy of the provisions made.

11. *As stated in Note 45 to the financial statements, the directives of the Securities and Exchange Board of India (SEBI) by its Order dated 19th March, 2014 requires the Company to divest its investments referred therein within ninety days from the date of the Order. These include 27,165,000 Equity Shares of Re 1 each and 562,460,000 Warrants of Re 1 each (each Warrant will entitle the holder to one Equity Share) both in MCX Stock Exchange Limited and 5,750,000 Equity Shares of Rs 10 each in MCX-SX Clearing Corporation Limited which are being carried at an aggregate amount of Rs. 6,471.25 lacs. The Management of the Company is of the view that the aggregate carrying amount of the aforesaid investments at Rs. 6,471.25 lacs represents the lower of cost and fair value of these investments as on the balance sheet date.*

    In the absence of sufficient appropriate audit evidence, particularly, in the absence of a fair valuation of the aforesaid investments at the balance sheet date being provided to us, and having regard to the time limit for divestment prescribed in the aforesaid Order, we have not been able to validate whether the carrying amount of these investments is the lower of cost and fair value, as required by Accounting Standard (AS) 13, 'Accounting for Investments'.

12. *The Company has recognised MAT Credit of Rs. 9,188.82 lacs as at the year end, including Rs. 960.51 lacs during the year. In accordance with the recommendations contained in the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax (MAT) under the Income - tax Act, 1961 issued by the ICAI, MAT Credit can be created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement in the Balance Sheet, to the extent there is convincing evidence to the effect that the Company will pay normal income tax during the specified period. As per the aforesaid Guidance Note, where MAT Credit is recognised as an asset, the same should be reviewed at each balance sheet date and a company should write down the carrying amount of MAT Credit asset to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.*

    In the absence of sufficient appropriate audit evidence, we are unable to independently assess whether any write down is required in respect of the aforesaid carrying amount of MAT Credit asset.

13. *As disclosed in Note 4 "Reserves and Surplus" an amount of Rs. 2,764.71 lacs has been paid as interim dividends for the year 2013-14 and the tax paid on these dividends is Rs. 469.86 lacs. However, the Company has made a loss for the year ended 31st March, 2014. Further, the consequential transfer of the stipulated minimum amounts of profits to General Reserves in accordance with the Companies (Transfer of Profits to Reserves Rules), 1975, has not been effected due to loss for the year.*

14. *The matters stated above could also have a consequential impact on the measurement and disclosures of information provided under, but not limited to, managerial remuneration, provision for tax, earnings per share, segment information and related parties for the year ended 31st March, 2014, in the financial statements.*

Qualified Opinion

15. In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs above,* the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

    (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

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

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

Report on Other Legal and Regulatory Requirements

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FINANCIAL TECHNOLOGIES (INDIA) LIMITED

17. As required by Section 227(3) of the Act, we report that:

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

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

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

   (d) *Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraphs above*, in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).

   (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

(Rajesh K. Hiranandani)
(Partner)
(Membership No. 36920)

Mumbai: 30th May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 16 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

(ii) In respect of its fixed assets:

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

(b) The fixed assets were physically verified during the year by the Management of the Company 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 explanations given to us, no material discrepancies were noticed on such verification.

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

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

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

(v) In our opinion and according to the information and explanations given to us, having regard to the nature of the Company's business and the explanations that the services sold and 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 purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

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

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax and Excise Duty which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Amount Involved (₹ Lacs)**
Finance Act, 1994	Service Tax	Commissioner of Service Tax	July 9, 2004 to October 6, 2005; and December, 2004 to March, 2007	165.92
Central Excise Act, 1944	Excise duty (including interest and penalty)	Central Excise and Service Tax Appellate Tribunal	March 1, 2006 to December 20, 2006	212.64
Maharashtra Value Added Tax Act, 2002	Value Added Tax (including interest and penalty)	Joint Commissioner of Sales Tax (Appeal)	2005-2006 to 2009-2010	74.35
Central Sales Tax Act, 1956	Central Sales Tax	Joint Commissioner of Sales Tax (Appeal)	2006-2007	3.12
Income - tax, Act, 1961	Income-tax	Deputy Commissioner of Income Tax (Appeals)	Assessment year 2009-2010	592.17

There were no unpaid disputed dues in respect of Wealth Tax and Customs Duty as on 31st March, 2014.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 16 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(ix) *Without considering the possible effects of our audit qualifications reported in paragraphs 8 (a), 8 (b) and 9 to 14 of the Basis of Qualified Opinion of our Audit Report which is not quantifiable*, the Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

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

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

(xii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.

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

(xiv) We are unable to comment on the matters arising from the special audit carried out by an external agency in respect of Multi Commodity Exchange of India Limited on the directions of the Forward Markets Commission as described in Note 59 to the financial statements (Also see paragraph 9 of the Basis for Qualified Opinion of our Audit Report) and the enquiries from certain investigating authoirties as described in Notes 57 and 58 to the financial statements, for the purposes of reporting on clause (xxi) of Paragraph 4 of the Order.

Further to the above, and except for the matters arising from NSEL as described in Note 55 to the financial statements (Also see paragraph 8 (b) of the Basis for Qualified Opinion of our Audit Report) on which also we are unable to comment, to the best of our knowledge and according to the information and explanations gives 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 LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

(Rajesh K. Hiranandani)
(Partner)
(Membership No. 36920)

Mumbai: 30th May, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ lacs)

	Note No.	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	921.57	921.57
(b) Reserves and surplus	4	240,028.64	266,761.81
		240,950.21	**267,683.38**
2 Non-current liabilities			
(a) Long-term borrowings	5	46,126.60	59,828.23
(b) Deferred tax liabilities (net)	6	2,524.64	2,382.88
(c) Other long term liabilities	7	536.26	64.93
(d) Long-term provisions	8	1,087.94	2,153.50
		50,275.44	**64,429.54**
3 Current liabilities			
(a) Trade payables	9	531.60	2,034.63
(b) Other current liabilities	10	24,524.26	23,583.02
(c) Short-term provisions	11	1,401.58	1,419.05
		26,457.44	**27,036.70**
TOTAL		**317,683.09**	**359,149.62**
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12A	44,968.88	45,607.32
(ii) Intangible assets	12B	1,564.90	2,093.11
		46,533.78	**47,700.43**
(b) Non-current investments	13	52,378.58	89,464.66
(c) Long-term loans and advances	14	88,324.89	60,696.63
(d) Other non-current assets	15	477.62	896.86
		187,714.87	**198,758.58**
2 Current assets			
(a) Current investments	16	75,337.32	132,042.90
(b) Trade receivables	17	6,775.60	8,310.47
(c) Cash and Cash equivalents	18	11,919.08	8,606.20
(d) Short-term loans and advances	19	34,486.97	8,440.16
(e) Other current assets	20	1,449.25	2,991.31
		129,968.22	**160,391.04**
TOTAL		**317,683.09**	**359,149.62**
See accompanying notes forming part of the financial statements	1 to 60		

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

Rajesh K. Hiranandani
Partner

Place : Mumbai
Date : 30 May, 2014

For and on behalf of the Board

Venkat R Chary
Chairman

Dewang Neralla
Whole-time Director

Hariraj Chouhan
Vice President
& Company Secretary

Devendra Agrawal
Chief Financial Officer

Place : Mumbai
Date : 30 May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

	Note No.	Year Ended 31.03.2014	Year Ended 31.03.2013
INCOME			
Revenue from operations	21	33,471.49	45,090.10
Other income	22	27,644.31	20,651.99
Total revenue		**61,115.80**	**65,742.09**
EXPENSES			
Purchases of stock-in-trade	23	6.09	31.83
Employee benefits expense	24	12,275.19	12,410.70
Finance costs	25	3,053.82	4,283.74
Depreciation and amortisation expense (Refer Note 43)	26	3,074.86	2,253.99
Provision for other than temporary diminution in value of long term investments in subsidiaries (Refer Notes 50 and 51)		11,444.44	-
Provision for doubtful loans and advances, and deposits (also refer Notes 50, 53 and 54)		36,704.87	-
Other expenses	27	12,591.93	6,514.55
Total expenses		**79,151.20**	**25,494.81**
Profit / (Loss) before tax		**(18,035.40)**	**40,247.28**
Tax expense / (credit):			
(a) Current tax expense		5,638.20	6,949.67
(b) Less: MAT credit		(960.51)	-
(c) Net current tax expense		4,677.69	6,949.67
(d) Deferred Tax		141.76	1,009.55
Net tax expense		**4,819.45**	**7,959.22**
Profit / (Loss) for the year		**(22,854.85)**	**32,288.06**
Earnings per share:	35		
Basic per share (in ₹)		(49.60)	70.07
Diluted per share (in ₹)		(49.60)	69.48
Face Value Per Share (in ₹)		2.00	2.00
See accompanying notes forming part of the financial statements	1 to 60		

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

Rajesh K. Hiranandani
Partner

Place : Mumbai
Date : 30 May, 2014

For and on behalf of the Board

Venkat R Chary
Chairman

Dewang Neralla
Whole-time Director

Hariraj Chouhan
Vice President
& Company Secretary

Devendra Agrawal
Chief Financial Officer

Place : Mumbai
Date : 30 May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

		Year Ended 31.03.2014		Year Ended 31.03.2013	
A.	**Cash flow from operating activities**				
	Profit / (Loss) before tax		**(18,035.40)**		**40,247.28**
	Adjustments for:				
	Depreciation and amortisation expense	3,074.86		2,253.99	
	Net gain on sale of investments	(14,946.97)		(4,697.86)	
	Loss / (Profit) on disposal/write off of fixed assets (net)	40.87		(460.63)	
	Write down / (Reversal of write down) in value of current investments (net)	534.75		(35.44)	
	Provision for other than temporary diminution in value of long term investments in subsidiaries	11,444.44		-	
	Bad debts/advances written off (net of provision held)	9.38		24.64	
	Provision for doubtful loans and advances, and deposits	36,704.87		-	
	Provision for doubtful trade receivables	62.81		134.90	
	Dividend income	(3,310.37)		(8,300.29)	
	Guarantee fees	(534.67)		(1,295.13)	
	Finance costs	3,053.82		4,283.74	
	Net unrealised exchange loss	3,351.17		3,409.57	
	Interest income	(7,436.37)	32,048.59	(4,193.16)	(8,875.67)
	Operating profit before working capital changes		**14,013.19**		**31,371.61**
	Changes in working capital:				
	Adjustments for:				
	Trade and other receivables	809.00		(4,174.98)	
	Trade payables and provisions	(1,301.55)	(492.55)	5,687.36	1,512.38
	Cash generated from operations		**13,520.64**		**32,883.99**
	Net Income Tax (paid) / refunds		(1,845.23)		600.34
	Net cash flow from operating activities (A)		**11,675.41**		**33,484.33**
B.	**Cash flow from investing activities**				
	Capital expenditure on fixed assets including capital advances		(1,980.66)		(4,191.46)
	Proceeds from sale of fixed assets		57.41		1,415.36
	Purchase of investments in subsidiaries		(501.05)		(1,425.00)
	Proceeds from partial sale of stake in an associate company (Refer Note 46)		7,125.62		-
	Purchase of investments - others		(206,919.22)		(379,601.02)
	Proceeds from sale of investments - others		297,054.08		340,555.62
	Bank balances not considered as Cash and cash equivalents				
	- Placed		(15,524.34)		(3,851.16)
	- Matured		14,323.26		3,341.79
	Interest income		5,875.92		2,870.01
	Loans given to subsidiary companies		(119,577.59)		(24,942.13)
	Loans repaid by subsidiary companies		37,874.90		3,104.78
	Dividend income		3,310.37		8,300.29
	Guarantee fees		1,661.83		-
	Cash flow from / (used in) investing activities		**22,780.53**		**(54,422.92)**
	Income tax paid		(4,067.81)		(1,151.07)
	Net cash flow from / (used in) investing activities (B)		**18,712.72**		**(55,573.99)**
C.	**Cash flow from financing activities**				
	Repayment of External Commercial Borrowings		(20,534.85)		-
	Dividends paid		(3,686.28)		(3,686.28)
	Tax on dividend		(626.48)		(626.48)
	Finance costs		(3,442.34)		(3,100.35)
	Net cash used in financing activities (C)		**(28,289.95)**		**(7,413.11)**
	Net increase / (decrease) in cash and cash equivalents (A + B + C)		**2,098.18**		**(29,502.77)**
	Cash and cash equivalents (opening balance)		4,660.85		34,163.62
	Cash and cash equivalents (closing balance)		6,759.03		4,660.85

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

Notes to cash flow statement:

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

(₹ lacs)

	Current Year	Previous Year
Cash and Cash equivalents	6,759.03	4,660.85
Unrealised loss /(gain) on foreign currency cash and cash equivalents	4.12	(0.47)
Cash and cash equivalents (Refer Note 18)	6,763.15	4,660.38

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. Total income tax paid (net of refunds), during the year ₹ 5,913.04 lacs (Previous Year ₹ 550.73 lacs)
4. Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows.
5. Cash flow from financing activites exclude refinancing of External Commercial Borrowings of USD 25 million (equivalent to ₹ 14,686.13 lacs) with the same bank as stated in Note 5 (ii) being non-cash transaction.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Rajesh K. Hiranandani
Partner

Place : Mumbai
Date : 30 May, 2014

For and on behalf of the Board

Venkat R Chary
Chairman

Dewang Neralla
Whole-time Director

Hariraj Chouhan
Vice President
& Company Secretary

Devendra Agrawal
Chief Financial Officer

Place : Mumbai
Date : 30 May, 2014

1. GENERAL INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C. Fixed assets (Tangible / Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46 / 46A of Accounting Standard-11, "The Effects of Changes in Foreign Exchange Rates", accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

D. Capital work-in-progress

Fixed assets which are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

E. Operating leases

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

F. Depreciation and amortisation

I. (i) Depreciation has been provided on the straight-line method.

(ii) Upto 31st December, 2013, depreciation was being provided at the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets.

Assets	Estimated useful life
Leasehold land	Period of lease
Improvement to Leasehold Premises	Period of lease

(iii) During the quarter ended 31st March, 2014, the Management has revised the estimated useful life of the following categories of assets as under.

Assets	Revised useful life
Office Equipment	2 to 10 Years
Computer Hardware	3 to 6 Years
Furniture and Fixtures	5 to10 Years
Vehicles	8 Years

(iv) Accordingly, the unamortised depreciable amount of the aforesaid assets as on 31st December, 2013 is being charged to revenue over the revised remaining useful lives (also Refer Note 43).

(v) Depreciation on buildings continues to be provided at the rates prescribed in Schedule XIV to the Companies Act, 1956 and leasehold land and improvement to leasehold premises continues to be amortised over the period of lease.

II. Intangible assets are amortised over their estimated useful life as follows:

Assets	Estimated useful life
Patent and Trademarks	8 years
Technical know-how and computer software	6 years

G. Investments

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

H. Revenue recognition

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

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

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

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

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

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

I. Other income

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.

J. Foreign currency transactions and translations

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

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 on settlement / restatement, 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 remaining useful life of such assets.

ii. In other cases, such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortised to the statement of profit and loss over maturity period / upto the date of settlement of such monetary item, whichever is earlier. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign Currency Monetary Item Translation Difference Account (FCMITDA)"

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

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

Foreign branches :

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

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

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

c) Resulting exchange difference is accumulated in Foreign Currency Translation Reserve Account (FCTR) until the disposal of the net investment in / closure of the said non-integral foreign operation, in which case the accumulated balance in FCTR is recognised as income / expense in the same period in which the gain or loss on disposal / closure of branch is recognised.

K. Derivative contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Exchange differences on such contracts are recognised in the statement of profit and loss.

The Company uses derivative financial contracts in the nature of forward foreign exchange contracts entered into for hedging the risks of foreign currency exposure in respect of highly probable forecasted transactions / firm commitments and interest rate swap contracts to hedge its risks associated with fluctuations in interest rate. As per principles of prudence as enunciated in Accounting Standard 1, “Disclosure of Accounting Policies”, losses, if any, on Mark to Market basis, are recognised in the statement of profit and loss and gains are not recognised until realised on grounds of prudence.

L. Employee Benefits

a) Post-employment benefits and other long term benefits

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

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

b) Short term employee benefits

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

M. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary borrowing costs are amortised to the statement of profit and loss over maturity period / upto the date of settlement of loan, whichever is earlier. All other borrowing costs are charged to revenue.

N. Income taxes

Income taxes are accounted for in accordance with Accounting Standard 22 “Accounting for Taxes on Income”. Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income-tax Act, 1961. Current tax assets and liabilities are offset if the Company has a legally enforceable right for such set off and the Company intends to settle the asset and the liability on a net basis.

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

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabosrbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off.

O. Stock based compensation

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

P. Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

Q. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

R. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

S. Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

	As at 31.03.2014		As at 31.03.2013	
3. SHARE CAPITAL	**Number of shares**	**₹ lacs**	**Number of shares**	**₹ lacs**
Authorised:				
Equity shares of ₹ 2/- each	150,000,000	3,000.00	150,000,000	3,000.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 2/- each	46,078,537	921.57	46,078,537	921.57
TOTAL	**46,078,537**	**921.57**	**46,078,537**	**921.57**

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

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

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

(b) The outstanding GDR as on 31st March, 2014 are 185,367 (Previous Year 760,158) and the underlying equity shares as on 31st March, 2014 are 26,481 (Previous Year 108,594)

(c) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share except in case of GDR holders. Holders of GDR will have no voting rights with respect to the underlying shares. The depository holding shares underlying the GDR will not exercise any voting rights in respect of such shares unless it is required to do so by law. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion of equity shares held.

(d) Details of equity shares held by each shareholder holding more than 5% equity shares in the Company:

	As at 31.03.2014		As at 31.03.2013	
	Number of Equity Shares held	% Holding	Number of Equity Shares held	% Holding
La-fin Financial Services Private Limited	12,329,968	26.76	12,329,968	26.76
Jignesh P. Shah	8,329,585*	18.08*	8,329,585	18.08
Ravi Kanaiyalal Sheth	2,489,762	5.40	2,489,762	5.40
Blackstone GPV Capital Partners Mauritius VI FII Ltd	3,235,703	7.02	3,235,703	7.02

* includes 3,585,715 (7.78%) equity shares held jointly

(e) As at March 31, 2014, 1,217,901 Options (Previous Year 1,773,455) are outstanding towards Employee Stock Options granted. For particulars of options on unissued capital under employee stock option schemes, Refer Note 39.

(₹ lacs)

4 RESERVES AND SURPLUS	As at 31.03.2014	As at 31.03.2013
Capital reserve		
Balance as per last Balance Sheet	147.59	147.59
Securities premium account		
Balance as per last Balance Sheet	41,746.61	41,746.61
General reserve		
Balance as per last Balance Sheet	26,413.15	23,160.15
Add: Transferred from surplus in Statement of Profit and Loss	-	3,253.00
	26,413.15	**26,413.15**
Foreign currency translation reserve		
Balance as per last Balance Sheet - credit / (debit)	1.04	(6.28)
Add: Effect of foreign exchange rate variation during the year	-	7.32
Less: Credited to Statement of Profit and Loss on closure of non-integral foreign branches	(1.04)	-
	-	**1.04**
Foreign currency monetary item translation difference account (FCMITDA)		
Balance as per last Balance Sheet - debit	(5,803.73)	(4,224.67)
Add: Effect of foreign exchange rate variation during the year	(6,833.22)	(3,556.08)
Less: Amortisation for the year	7,268.70	1,977.02
	(5,368.25)	**(5,803.73)**
Surplus in Statement of Profit and Loss		
Balance as per last Balance Sheet	204,257.15	179,513.50
Profit / (Loss) for the year	(22,854.85)	32,288.06
Less: Appropriations		
Interim Dividends [₹ 6/- per share (Previous Year ₹ 6/- per share)]	2,764.71	2,764.71
Final Dividend (Proposed) [₹ 2/- per share (Previous Year ₹ 2/- per share)]	921.57	921.57
Tax on Dividend	626.48	605.13
Transfer to General Reserve	-	3,253.00
Total Appropriations	**4,312.76**	**7,544.41**
Net surplus in Statement of Profit and Loss	**177,089.54**	**204,257.15**
TOTAL	**240,028.64**	**266,761.81**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

5	LONG-TERM BORROWINGS		As at 31.03.2014	As at 31.03.2013
	Unsecured term loans from banks			
	External commercial borrowings (ECB) in foreign currency		46,126.60	59,828.23
		TOTAL	**46,126.60**	**59,828.23**

(a) During the year ended March 31, 2012, the Company had availed three foreign currency term loans viz. external commercial borrowings aggregating USD 110 million comprising of:

i) Loans of USD 35 million and USD 50 million were repayable in three annual installments (first two installments of 33.33% each and last installment of 33.34%) starting from April 2015 and June 2015 respectively. The Company prepaid USD 9.8 million out of loan of USD 35 million and balance USD 25.2 million is repayable in April 2017. The Company prepaid USD 14 million out of loan of USD 50 million and balance USD 36 million is repayable in May 2017. These loans carried interest at the rate of applicable quarterly LIBOR plus margin of 3.5% p.a. which was reduced to quarterly LIBOR plus margin of 3.0% p.a. during the year; and

ii) Loan of USD 25 million was repayable in nine semi-annual installments (first eight installments of 11% each and last installment of 12%) starting from December 2014. During the year, the loan was refinanced with the same lender at reduced borrowing rate. The Company prepaid USD 9.45 million during the year and balance USD 15.55 million is repayable in December 2017. This loan carried interest at the rate of applicable quarterly LIBOR plus margin of 5% p.a. (4.8% p.a. on refinancing) which was reduced to quarterly LIBOR plus margin of 4.3% p.a.

(b) The Company has applied to the Reserve Bank of India (RBI) for approval to prepay the remaining amount of aforesaid loans. Pending receipt, the entire outstanding amount continued to be classified based on the prevailing terms.

(₹ lacs)

6	DEFERRED TAX LIABILITIES (NET)		As at 31.03.2014	As at 31.03.2013
	(a) Deferred tax liability			
	Depreciation		2,749.57	2,331.21
	Unamortised ancillary borrowing costs		237.46	464.11
			2,987.03	**2,795.32**
	(b) Deferred tax asset			
	Provision for trade receivables and advances		198.08	155.80
	Provision for compensated absences and gratuity		264.31	256.64
			462.39	**412.44**
	Net deferred tax liability	**TOTAL**	**2,524.64**	**2,382.88**
7	**OTHER LONG-TERM LIABILITIES**			
	Income received in advance/unearned revenue		508.31	35.75
	Other advances		27.95	29.18
		TOTAL	**536.26**	**64.93**
8	**LONG-TERM PROVISIONS**			
	Provision for employee benefits			
	Compensated absences		457.51	553.64
	Other provisions			
	Provision for estimated loss on interest rate swap contracts		630.43	1,599.86
		TOTAL	**1,087.94**	**2,153.50**
9	**TRADE PAYABLES**			
	Other than acceptances			
	Dues to micro and small enterprises (Refer Note 31)		4.94	13.47
	Others		526.66	2,021.16
		TOTAL	**531.60**	**2,034.63**

(₹ lacs)

		As at 31.03.2014	As at 31.03.2013
10	**OTHER CURRENT LIABILITIES**		
	Interest accrued but not due on borrowings	223.38	318.91
	Income received in advance/unearned revenue	7,421.02	7,980.77
	Unclaimed dividend*	87.12	78.09
	Other payables		
	Statutory remittances	565.61	579.02
	Payables on purchase of fixed assets	81.97	94.07
	Payable to employees and other contractual obligations	2,878.43	2,181.52
	Security deposits	494.22	606.73
	Advances from customers	12,759.86	11,736.80
	Other advances	12.65	7.11
	TOTAL	**24,524.26**	**23,583.02**
	* No amount due and outstanding to be credited to Investor Education and Protection Fund		
11	**SHORT-TERM PROVISIONS**		
	Provision for employee benefits		
	Compensated absences	132.93	16.28
	Gratuity (Refer Note 40)	187.17	321.29
		320.10	**337.57**
	Other provisions		
	For taxation (net of advance tax there against)	3.29	3.29
	Proposed dividend	921.57	921.57
	Tax on proposed dividend	156.62	156.62
		1,081.48	**1,081.48**
	TOTAL	**1,401.58**	**1,419.05**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

12 FIXED ASSETS

(₹ lacs)

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
Particulars	Cost as at 01.04.2013	Additions during the year	Deletion/ Adjustments	Cost as at 31.03.2014	Upto 31.03.2013	For the year (Refer Note 43)	Deletions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
(A) Tangible Assets										
Freehold Land	4,666.60	-	-	4,666.60	-	-	-	-	4,666.60	4,666.60
	(4,666.60)	(-)	(-)	(4,666.60)	(-)	(-)	(-)	(-)	(4,666.60)	(4,666.60)
Leasehold Land	-	-	-	-	-	-	-	-	-	-
	(816.98)	(-)	(816.98)	(-)	(44.75)	(5.71)	(50.46)	(-)	(-)	(772.23)
Buildings #	29,120.83	1,269.34	-	30,390.17	1,086.02	484.56	-	1,570.58	28,819.59	28,034.81
	(29,120.83)	(-)	(-)	(29,120.83)	(611.35)	(474.67)	(-)	(1,086.02)	(28,034.81)	(28,509.48)
Improvement To Leasehold Premises	108.99	80.50	-	189.49	51.28	67.10	0.01	118.37	71.12	57.71
	(431.36)	(15.26)	(337.63)	(108.99)	(255.20)	(133.71)	(337.63)	(51.28)	(57.71)	(176.16)
Office Equipment	5,286.28	204.56	1.43	5,489.41	453.71	666.06	0.85	1,118.92	4,370.49	4,832.57
	(4,630.29)	(790.44)	(134.45)	(5,286.28)	(239.56)	(233.71)	(19.56)	(453.71)	(4,832.57)	(4,390.73)
Computer Hardware	4,716.24	213.32	73.74	4,855.82	1,444.98	774.05	67.65	2,151.38	2,704.44	3,271.26
	(2,031.71)	(2,807.94)	(123.41)	(4,716.24)	(1,089.77)	(445.12)	(89.91)	(1,444.98)	(3,271.26)	(941.94)
Furniture and Fixtures	4,841.00	49.40	46.78	4,843.62	622.98	387.27	-	1,010.25	3,833.37	4,218.02
	(4,811.00)	(55.48)	(25.48)	(4,841.00)	(321.06)	(306.62)	(4.70)	(622.98)	(4,218.02)	(4,489.94)
Vehicles	657.90	154.59	130.10	682.39	131.55	86.14	38.57	179.12	503.27	526.35
	(453.17)	(236.53)	(31.80)	(657.90)	(96.67)	(48.05)	(13.17)	(131.55)	(526.35)	(356.50)
TOTAL	**49,397.84**	**1,971.71**	**252.05**	**51,117.50**	**3,790.52**	**2,465.18**	**107.08**	**6,148.62**	**44,968.88**	**45,607.32**
Previous Year	**46,961.94**	**3,905.65**	**1,469.75**	**49,397.84**	**2,658.36**	**1,647.59**	**515.43**	**3,790.52**	**45,607.32**	**44,303.58**
(B) Intangible Assets (Other than internally generated)										
Trade Mark	7.19	-	-	7.19	4.99	0.63	-	5.62	1.57	2.20
	(6.95)	(0.24)	(-)	(7.19)	(4.39)	(0.60)	(-)	(4.99)	(2.20)	(2.56)
Technical Knowhow	6.33	-	-	6.33	6.33	-	-	6.33	-	-
	(6.33)	(-)	(-)	(6.33)	(6.33)	(-)	(-)	(6.33)	(-)	(-)
Computer Software	3,706.71	81.47	-	3,788.18	1,615.80	609.05	-	2,224.85	1,563.33	2,090.91
	(3,677.53)	(29.95)	(0.77)	(3,706.71)	(1,010.37)	(605.80)	(0.37)	(1,615.80)	(2,090.91)	(2,667.16)
TOTAL	**3,720.23**	**81.47**	**-**	**3,801.70**	**1,627.12**	**609.68**	**-**	**2,236.80**	**1,564.90**	**2,093.11**
Previous Year	**3,690.81**	**30.19**	**0.77**	**3,720.23**	**1,021.09**	**606.40**	**0.37**	**1,627.12**	**2,093.11**	**2,669.72**
TOTAL									**46,533.78**	**47,700.43**

Buildings include ₹ 2,112.52 lacs (Previous Year ₹ 843.18 lacs) on long term leases between 56 to 95 years.

Previous year figures are given in brackets.

(₹ lacs)

13 NON - CURRENT INVESTMENTS	As at 31.03.2014	As at 31.03.2013
Long Term Investments (fully paid up, valued at cost unless stated otherwise)		
A) Trade investments (Unquoted):		
(a) In equity shares of subsidiary companies:		
1 6,040,000 (Previous Year 6,040,000) Equity shares of ₹ 10/- each in IBS Forex Limited [at cost less provision for other than temporary diminution in value ₹ 136.26 lacs (Previous Year ₹ 136.26 lacs)] (Refer Note 50)	467.74	467.74
2 4,042,500 (Previous Year 4,042,500) Equity shares of ₹ 10/- each in Tickerplant Limited.	404.25	404.25
3 44,999,900 (Previous Year 44,999,900) Equity shares of ₹ 10/- each in National Spot Exchange Limited [at cost less provision for other than temporary diminution in value ₹ 4,499.99 lacs (Previous Year Nil)] (Refer Note 51)	-	4,499.99
4 170,637,063 (Previous Year 170,637,063) Equity shares of ₹ 1/- each in Atom Technologies Limited	1,706.37	1,706.37
5 Nil (Previous Year 76,000,000) Equity shares of ₹ 10/- each in National Bulk Handling Corporation Limited (Refer Note 49)	-	8,221.15
6 Nil (Previous Year 1,000,000) Equity shares of ₹ 10/- each in Global Payment Networks Limited*	-	100.00
7 50,000 (Previous Year 50,000) Equity shares of ₹ 10/- each in Financial Technologies Communications Limited	5.00	5.00
8 60,002 (Previous Year 60,002) Ordinary shares of USD 1/- each in FT Group Investments Pvt Limited [at cost less provision for other than temporary diminution in value ₹ 24.87 lacs (Previous Year Nil)] (Refer Note 50)	-	24.87
9 10,002 (Previous Year 10,002) Ordinary shares of USD 1/- each in Knowledge Assets Private Limited	3.98	3.98
10 3,750,000 (Previous Year 3,750,000) Equity shares of ₹ 10/- each in FT Knowledge Management Limited	375.00	375.00
11 Nil (Previous Year 50,000) Equity shares of ₹ 10/- each in Takshashila Academia of Economic Research Limited *	-	5.00
12 Nil (Previous Year 50,000) Equity shares of ₹ 10/- each in Boursa India Limited *	-	5.00
13 111,600,001 (Previous Year 111,600,001) Ordinary shares of SGD 1/- each in Financial Technologies Singapore PTE Limited	36,874.36	36,874.36
14 5,000 (Previous Year 5,000) Ordinary shares of MUR 1/- each in Financial Technologies Projects Pvt. Limited [at cost less provision for other than temporary diminution in value ₹ 0.08 lac (Previous Year Nil)] (Refer Note 50)	-	0.08
	39,836.70	**52,692.79**
(b) In equity shares of a jointly controlled entity:		
1,900 (Previous Year 1,900) Class B shares of USD 1,000/- each in Dubai Gold and Commodities Exchange DMCC	828.78	828.78
(c) In equity shares of associate companies:		
1 Nil (Previous Year 6,823,941) Equity shares of ₹ 10/- each in Indian Energy Exchange Limited (Refer Note 46)	-	682.39
2 Nil (Previous Year 5,750,000) Equity shares of ₹ 10/- each in MCX-SX Clearing Corporation Limited (Refer Note 45)	-	575.00
3 Nil (Previous Year 49,000) Equity shares of ₹ 10/- each in SME Exchange of India Limited*	-	4.90
	-	**1,262.29**
(d) In equity shares of other companies:		
1 Nil (Previous Year 1,496,500) Equity shares of ₹ 1/- each in Delhi Stock Exchange Limited (Refer Note 45)	-	1,047.55
2 Nil (Previous Year 10,000) Equity shares of ₹ 10/- each in National Stock Exchange of India Limited (Refer Note 45)	-	278.47
3 Nil (Previous Year 290,000) Equity shares of ₹ 10/- each in Vadodara Stock Exchange Limited (Refer Note 45)	-	134.85
	-	**1,460.87**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

	As at 31.03.2014	As at 31.03.2013
(e) In Optionally Convertible Preference shares of a subsidiary company:		
15,000,000 (Previous Year 15,000,000) 5% Optionally Convertible Preference shares of USD 1/- each in FT Group Investments Pvt. Limited [at cost less provision for other than temporary diminution in value ₹ 6,904.50 lacs (Previous Year Nil)] (Refer Note 50)	-	6,904.50
(f) In warrants of other company:		
Nil (Previous Year 562,460,000) Warrants of ₹ 1/- each of MCX Stock Exchange Limited (MCX-SX) (Refer Note 45) Each warrant in MCX-SX entitles the holder to subscribe to one equity share of ₹ 1 each of MCX-SX at any time after six months from the date of issue of warrants. The warrants are also freely transferable by endorsement and delivery. The warrants do not carry voting or dividend rights	-	5,624.60
Total trade investments - Unquoted (A)	**40,665.48**	**68,773.83**
B) Trade Investments (Quoted) :		
In equity shares of an associate company:		
Nil (Previous Year 13,259,575) Equity shares of ₹ 10/- each in Multi Commodity Exchange of India Limited (Refer Note 44) (10,199,674 shares are locked in for the period of three years till March 7, 2015)	-	1,060.77
Total trade investments - Quoted (B)	**-**	**1,060.77**
C) Other than Trade (Unquoted):		
(a) In equity shares of subsidiary companies:		
1 Nil (Previous Year 7,000,000) Equity shares of ₹ 10/- each in Riskraft Consulting Limited [at cost less provision for other than temporary diminution in value Nil (Previous Year ₹ 634.00 lacs)] (Refer Note 50)*	-	66.00
2 Nil (Previous Year 50,000) Equity shares of ₹ 10/- each in Trans-Global Credit and Finance Limited *	-	5.00
3 100 (Previous Year 100) Equity Shares of Rand 1/- each in ICX Platform (Pty) Limited [at cost less provision for other than temporary diminution in value ₹ 454.00 lacs (Previous Year ₹ 454.00 lacs)] (Refer Note 50)	45.13	45.13
4 5,249,900 (Previous Year 5,249,900) Equity shares of ₹ 10/- each in Credit Market Services Pvt. Limited [at cost less provision for other than temporary diminution in value ₹ 513.00 lacs (Previous Year ₹ 513.00 lacs)] (Refer Note 50)	11.99	11.99
5 4,314,395 (Previous Year 4,313,845) Equity shares of ₹ 10/- each in Apian Finance & Investment Limited	550.78	549.74
6 50,000 (Previous Year 50,000) Ordinary shares of ₹ 10/- each in FT Projects Limited	5.00	5.00
	612.90	**682.86**
(b) In debentures of a subsidiary company:		
30 (Previous Year 25) Unsecured, optionally fully convertible debentures of ₹ 10,000,000/- each in FT Projects Limited	3,000.00	2,500.00
(c) In bonds:		
1 150 (Previous Year 150) Units of ₹ 1,000,000/- each of 9.5% IndusInd Bank Limited-Tier II Bonds Issue (Series XIV)	1,500.00	1,500.00
2 200,000 (Previous Year 200,000) Non Convertible 7.38% REC 2027 Tax Free Series II Bonds of ₹ 1,000/- each	2,000.00	2,000.00
3 200,000 (Previous Year 200,000) Non Convertible 7.36% PFC 2028 Tax Free Series II Bonds of ₹ 1,000/- each	2,000.00	2,000.00
4 200,000 (Previous Year 200,000) Non Convertible 7.36% IIFCL 2028 Tax Free Series II Bonds of ₹ 1,000/- each	2,000.00	2,000.00
	7,500.00	**7,500.00**

(₹ lacs)

			As at 31.03.2014	As at 31.03.2013
(d)	**In trust securities:**			
	100 (Previous Year 97) Class A units of ₹ 100,000/- each towards capital contribution of India Venture Trust- Fund I		100.00	97.00
(e)	**In Government Securities:**			
	National Savings Certificate- VIII Issue (deposited with sales tax authorities)		0.20	0.20
(f)	In units of mutual funds (Unquoted):			
	1	5,000,000.00 (Previous Year 5,000,000.00) units of ₹ 10/- each of JP Morgan India Fixed Maturity Plan Series 302 Growth	500.00	500.00
	2	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Axis Fixed Term Plan - Series 34 (392 days) Direct Growth	-	500.00
	3	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 88- 12.5M-Direct-Growth	-	500.00
	4	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 89- 12M-Direct-Growth	-	500.00
	5	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 91 - 12M - Direct-Growth	-	500.00
	6	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of ICICI Prudential FMP Series 67 - 371 Days Plan C Direct Plan Cumulative	-	500.00
	7	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of ICICI Prudential FMP Series 67 - 371 Days Plan E Direct Plan Cumulative	-	500.00
	8	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of ICICI Prudential Interval Fund - Series VI Annual Interval Plan C Direct Plan	-	500.00
	9	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of IDBI FMP - 385 Days Series III (March 2013) - B -Growth -Direct	-	500.00
	10	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of L&T FMP - VII (March 13M A)- Direct Plan Growth	-	500.00
	11	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of L&T FMP - VII (March 381 D A) Direct Plan Growth	-	500.00
	12	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of LIC Nomura Fixed Maturity Plan Series 58-392 Days- Direct Growth Plan	-	500.00
	13	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of LIC Nomura Fixed Maturity Plan Series 59-392 Days- Direct Growth Plan		500.00
	14	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVII Plan D (399 days) Direct	-	500.00
	15	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVIII-Plan B (386 days) Direct	-	500.00
	16	Nil (Previous Year 3,500,000.00) units of ₹ 10/- each of Sundaram Fixed Term Plan DH 378 Days Direct Growth	-	350.00
	17	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Tata Fixed Maturity Plan Series 42 Scheme C- Direct Plan -Growth	-	500.00
	18	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Tata Fixed Maturity Plan Series 42 Scheme C- Direct Plan -Growth	-	500.00
			500.00	**8,850.00**
		Total of other than trade - Unquoted (C)	**11,713.10**	**19,630.06**
		Total Non - current investments (A+B+C)	**52,378.58**	**89,464.66**
		* Reclassified during the year to current investments		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

	As at 31.03.2014	As at 31.03.2013
Aggregate amount of quoted investments	-	1,060.77
Aggregate market value of listed and quoted investments	-	110,531.82
Aggregate amount of Unquoted investments	64,911.28	90,141.15
Aggregate amount of Unquoted investments (net of provision for other than temporary diminution)	52,378.58	88,403.89
Comprises:		
- Aggregate value of listed but not quoted investments	8,000.00	16,350.00
- Aggregate amount of Unquoted investments	56,911.28	73,791.15
- Aggregate amount of Unquoted investments (net of provision for other than temporary diminution)	44,378.58	72,053.89
Aggregate provision for other than temporary diminution in the value of Unquoted investments	12,532.70	1,737.26
14 LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good unless stated otherwise		
Capital advances	-	37.91
Security deposits	125.69	172.43
Loans and advances to related parties (Refer Note 37)		
Considered good	71,765.17	45,063.63
Considered doubtful	36,421.95	-
	108,187.12	45,063.63
Less: Provision for doubtful loans and advances (Refer Notes 50, 53 and 54)	(36,421.95)	-
	71,765.17	45,063.63
Loans and advances to employees	157.14	305.26
Prepaid Expenses	326.27	391.33
Balances with government authorities	48.16	49.37
Advance Income Tax (net of provisions)	6,713.64	6,448.39
MAT credit entitlement	9,188.82	8,228.31
TOTAL	**88,324.89**	**60,696.63**
15 OTHER NON-CURRENT ASSETS		
Unamortised ancillary borrowing costs	474.21	895.88
Deposits with banks (under lien with banks)	3.41	0.98
TOTAL	**477.62**	**896.86**
16 CURRENT INVESTMENTS		
A) Current portion of long-term investments (at cost):		
(a) In bonds (Unquoted):		
Nil (Previous Year 2,000) Non Convertible 6.85% IIFCL 2014 Tax Free Series II Bonds of ₹ 100,000/- each	-	2,005.20
(b) In units of mutual funds (Unquoted):		
1 10,000,000.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP-Series 68- 368 Days - Plan G - Direct-Growth	1,000.00	-
2 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Axis Fixed Term Plan - Series 34 (392 days) Direct Growth	500.00	-
3 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Birla Sunlife Interval Income Fund -Annual Plan VIII - Growth- Direct	500.00	-
4 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 88- 12.5M-Direct-Growth	500.00	-
5 5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 89- 12M-Direct-Growth	500.00	-

(₹ lacs)

		As at 31.03.2014	As at 31.03.2013
6	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of DSP BlackRock FMP - Series 91 - 12M - Direct-Growth	500.00	-
7	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of HDFC FMP 371D July 2013 (1) - Series 26 - Direct - Growth	500.00	-
8	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 67 - 371 Days Plan C Direct Plan Cumulative	500.00	-
9	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP Series 67 - 371 Days Plan E Direct Plan Cumulative	500.00	-
10	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential FMP- Series 68- 369 Days - Plan I - Direct-Growth	500.00	-
11	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of IDBI FMP - 385 Days Series III (March 2013) - B -Growth -Direct	500.00	-
12	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of JP Morgan India Fixed Maturity Plan Series 21-Direct-Growth	500.00	-
13	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of L&T FMP - VII (March 13M A)- Direct Plan Growth	500.00	-
14	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of L&T FMP - VII (March 381 D A) Direct Plan Growth	500.00	-
15	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of L&T FMP Series 8 - Plan A -Direct Growth	500.00	-
16	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of LIC Nomura Fixed Maturity Plan Series 58-392 Days- Direct Growth Plan	500.00	-
17	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of LIC Nomura Fixed Maturity Plan Series 59-392 Days- Direct Growth Plan	500.00	-
18	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of LIC Nomura Fixed Maturity Plan Series 66-371 Days- Direct Growth Plan	500.00	-
19	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XIX Plan C (367 days) Direct Plan Growth	500.00	-
20	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVII Plan D (399 days) Direct	500.00	-
21	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVIII-Plan B (386 days) Direct	500.00	-
22	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of SBI Debt Fund Series -366 Days 33 Direct Plan - Growth	500.00	-
23	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Tata Fixed Maturity Plan Series 42 Scheme C- Direct Plan -Growth	500.00	-
24	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of Taurus Fixed Maturity Plan 377 Days Series Z - Direct Plan	500.00	-
25	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XV - IX (366 days) Direct - Growth	500.00	-
26	5,000,000.00 (Previous Year Nil) units of ₹ 10/- each of UTI Fixed Term Income Fund Series XV -VIII (368 days) Direct - Growth	500.00	-
27	3,500,000.00 (Previous Year Nil) units of ₹ 10/- each of Sundaram Fixed Term Plan DH 378 Days Direct Growth	350.00	-
28	Nil (Previous Year 10,000,000.00) units of ₹ 10/- each of Baroda Pioneer 367 Day FMP - Series 4 Growth Plan	-	1,000.00
29	Nil (Previous Year 5,004,442.00) units of ₹ 10/- each of Baroda Pioneer Fixed Maturity Plan - Series A Plan B -Growth	-	500.44
30	Nil (Previous Year 7,317,913.00) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan - Series GJ Growth -Direct (367 Days)	-	731.79
31	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan - Series GM (367 Days) -Growth - Direct	-	500.00
32	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Birla Sunlife Fixed Term Plan Series EV Growth (391 Days)	-	500.00
33	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Birla Sunlife Fixed Term Series ES -Growth 393 days	-	500.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

		As at 31.03.2014	As at 31.03.2013
34	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Birla Sunlife Interval Income Fund -Annual Plan 3 - Growth- Direct	-	500.00
35	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of BNP Paribas Fixed Term Fund - Series 25- Plan A Direct - Growth	-	500.00
36	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of BSL Fixed Term Plan - Series GO (369 Days) - Growth- Direct	-	500.00
37	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of BSL Fixed Term Plan - Series GQ (367 Days) -Growth- Direct	-	500.00
38	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 38 -12.5M- Growth	-	500.00
39	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 43- 12M Growth	-	500.00
40	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 59- 12M- Growth	-	500.00
41	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 61 - 12M -Growth	-	500.00
42	Nil (Previous Year 2,170,933.33) units of ₹ 10/- each of DSP BlackRock FMP - Series 64 - 12M -Growth	-	217.09
43	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 66 - 12M-Growth	-	500.00
44	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 84- 12M-Direct- Growth	-	500.00
45	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 87- 12M -Direct- Growth	-	500.00
46	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DSP BlackRock FMP - Series 90 - 12M - Direct-Growth	-	500.00
47	Nil (Previous Year 5,001,333.51) units of ₹ 10/- each of DWS Fixed Maturity Plan-Series 27-Direct Plan-Growth	-	500.13
48	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DWS Fixed Maturity Plan Series 6 (394 days) Growth	-	500.00
49	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of HDFC Annual Interval Fund Series 1 - Plan B- Direct Growth	-	500.00
50	Nil (Previous Year 3,908,207.00) units of ₹ 10/- each of HDFC FMP 371D August 2012(1) Growth Series 22	-	390.82
51	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of HDFC FMP 371D February 2013(1)- Direct- Growth	-	500.00
52	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of HDFC FMP 371D July 2012 (2) - Growth Series 22	-	500.00
53	Nil (Previous Year 3,000,000.00) units of ₹ 10/- each of HDFC FMP 372D January 2013 (3) Series 23 - Direct - Growth	-	300.00
54	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of HDFC FMP 372D July 2012 (1) - Growth Series 22	-	500.00
55	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of HDFC FMP 400D February 2012(1) Growth	-	500.00
56	Nil (Previous Year 5,027,676.00) units of ₹ 10/- each of ICICI Prudential FMP Series 63 -370 days Plan D Growth	-	502.77
57	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of ICICI Prudential FMP Series 63 -Plan J Growth (376 days)	-	500.00
58	Nil (Previous Year 4,509,669.53) units of ₹ 10/- each of ICICI Prudential FMP Series 66 - 366 Days Plan F Direct Plan Cumulative	-	450.97
59	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of ICICI Prudential FMP Series 66 - 366 Days Plan H Direct Plan Cumulative	-	500.00
60	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of ICICI Prudential FMP Series 66 - 368 Days Plan B Direct Cumulative	-	500.00
61	Nil (Previous Year 5,021,974.00) units of ₹ 10/- each of ICICI Prudential FMP Series 67 - 366 Days Plan B Direct Plan Cumulative	-	502.20

(₹ lacs)

		As at 31.03.2014	As at 31.03.2013
62	Nil (Previous Year 5,043,133.77) units of ₹ 10/- each of ICICI Prudential Regular Savings Fund- Regular Plan - Quarterly Dividend [at cost less provision for diminution (write down) in value Nil (Previous Year ₹ 6.50 lacs)]	-	516.74
63	Nil (Previous Year 3,001,472.05) units of ₹ 10/- each of IDBI FMP - 367 Days Series III (February 2013) - A -Growth -Direct	-	300.15
64	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Indiabulls Fixed maturity Plan 370 Days - Series 1- Growth Plan	-	500.00
65	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of JM Fixed Maturity Plan Series XXIII - 369 Days Plan A (Direct) Growth	-	500.00
66	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of JP Morgan India Fixed Maturity Plan Series 17-Direct- Growth	-	500.00
67	Nil (Previous Year 9,000,000.00) units of ₹ 10/- each of L&T FMP - VII (December 369 DA)- Growth	-	900.00
68	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of L&T FMP - VII (March 367 D A) Direct Plan Growth	-	500.00
69	Nil (Previous Year 10,000,000.00) units of ₹ 10/- each of L&T FMP-V (March 395DA) -Growth	-	1,000.00
70	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of L&T FMP-VI (March 371 DA) Growth	-	500.00
71	Nil (Previous Year 1,679,702.36) units of ₹ 10/- each of L&T Triple Ace Bond Fund - Growth	-	500.00
72	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Peerless Fixed Maturity Plan Series 1 Direct Plan Growth Option	-	500.00
73	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Fixed Horizon Fund - XXII - Series 35- Growth Plan	-	500.00
74	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXI Series 11-Growth Plan	-	500.00
75	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXII Series 15 Growth Plan	-	500.00
76	Nil (Previous Year 10,000,000.00) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXII-Series 6- Growth Plan	-	1,000.00
77	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXI-Series 18- Growth Plan	-	500.00
78	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Yearly Interval Fund - Series 2- Direct Plan Growth Plan	-	500.00
79	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Yearly Interval Fund - Series 3 -Direct Plan - Growth Plan	-	500.00
80	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Yearly Interval Fund - Series 4 -Direct Plan - Growth Plan	-	500.00
81	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XIV Plan A (373 days) Growth Plan	-	500.00
82	Nil (Previous Year 3,500,000.00) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVII- Plan B (369 days) Direct Plan	-	350.00
83	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVIII Plan D (368 days) Direct	-	500.00
84	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Religare Fixed Maturity Plan - Series XVIII-Plan A (369 days) Direct	-	500.00
85	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Religare Fixed Maturity Plan- series XIII Plan D (386 Days) Growth Plan	-	500.00
86	Nil (Previous Year 10,000,000.00) units of ₹ 10/- each of Religare FMP - Series XIII Plan C-13 months -Growth Plan	-	1,000.00
87	Nil (Previous Year 10,000,000.00) units of ₹ 10/- each of Religare FMP Series XIII Plan F-Growth Plan	-	1,000.00
88	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of SBI Debt fund series 366 days - 10 Growth	-	500.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

	As at 31.03.2014	As at 31.03.2013
89 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of SBI Debt fund series 366 days - 12 Growth	-	500.00
90 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of SBI Debt fund series 366 days - 20 Growth	-	500.00
91 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of SBI Debt Fund Series -366 Days 22 Direct Plan - Growth	-	500.00
92 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of SBI Debt Fund Series 366 days -8 Growth	-	500.00
93 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Sundaram Fixed Term Plan DE 367 Days Direct Growth	-	500.00
94 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Sundaram Fixed Term Plan DG 366 Days Direct Growth	-	500.00
95 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Tata Fixed Maturity Plan Series 42 Scheme A- Direct Plan -Growth	-	500.00
96 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Taurus Fixed Maturity Plan - 369 Days Series X Growth Plan Direct	-	500.00
97 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Taurus Fixed Maturity Plan 366 Days Series Y -Direct Plan	-	500.00
98 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Taurus Fixed Maturity Plan 369 Days Series U - Growth Plan	-	500.00
99 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Taurus Fixed Maturity Plan 397 days Series O Growth Payout	-	500.00
100 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Union KBC Fixed Maturity Plan Series 6 (366 days) - Growth- Direct Plan	-	500.00
101 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of UTI -Fixed Income Fund Series XIV - I (366 Days)- Direct Plan -Growth	-	500.00
102 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of UTI -Fixed Income Fund Series XIV - II (366 Days)-Direct Plan -Growth	-	500.00
103 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of UTI -Fixed Income Fund Series XIV - VI (366 Days)-Direct Plan -Growth	-	500.00
104 Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of UTI -Fixed Income Fund Series XIV - VII (367 Days)- Direct Plan -Growth	-	500.00
	13,850.00	**40,663.10**
Total current portion of long - term investments (A)	**13,850.00**	**42,668.30**
B) Other current investments (fully paid up, valued at lower of cost and fair value)		
(a) In equity shares of subsidiary companies (Unquoted) :		
1 1,000,000 (Previous Year Nil) Equity shares of ₹ 10/- each in Global Payment Networks Limited *	100.00	-
2 50,000 (Previous Year Nil) Equity shares of ₹ 10/- each in Takshashila Academia of Economic Research Limited [at cost less provision for diminution (write down) in value ₹ 5.00 lacs (Previous Year ₹ Nil)] (Refer Note 50) *	-	-
3 50,000 (Previous Year Nil) Equity shares of ₹ 10/- each in Boursa India Limited [at cost less provision for diminution (write down) in value ₹ 5.00 lacs (Previous Year ₹ Nil)] (Refer Note 50) *	-	-
4 76,000,000 (Previous Year Nil) Equity shares of ₹ 10/- each in National Bulk Handling Corporation Limited (Refer Note 49)	8,221.15	-
5 7,000,000 (Previous Year Nil) Equity shares of ₹ 10/- each in Riskraft Consulting Limited [at cost less provision for diminution (write down) in value ₹ 634.00 lacs (Previous Year ₹ Nil)] (Refer Note 50)*	66.00	-
6 50,000 (Previous Year Nil) Equity shares of ₹ 10/- each in Trans-Global Credit and Finance Limited [at cost less provision for diminution (write down) in value ₹ 5.00 lacs (Previous Year ₹ Nil)] (Refer Note 50)*	-	-
	8,387.15	**-**

(₹ lacs)

			As at 31.03.2014	As at 31.03.2013
(b)	**In equity shares of associate companies (Unquoted):**			
	1	7,775,515 (Previous Year 23,16,361) Equity shares of ₹ 10/- each in Indian Energy Exchange Limited (Refer Note 46)	777.55	231.64
	2	49,000 (Previous Year Nil) Equity shares of ₹ 10/- each in SME Exchange of India Limited*	4.90	-
			782.45	**231.64**
(c)	**In equity shares of other company (Quoted)**			
	13,259,575 (Previous Year Nil) Equity shares of ₹ 10/- each in Multi Commodity Exchange of India Limited (Refer Note 44) (10,199,674 share are locked in for the period of three years till March 7, 2015)		1,060.77	-
			1,060.77	-
(d)	**In equity shares of other companies (Unquoted)**			
	1	27,165,000 (Previous Year Nil) Equity shares of ₹ 1/- each in MCX Stock Exchange Limited (Refer Note 45)	271.65	271.65
	2	1,033,952 (Previous Year 1,033,952) Equity Shares of MUR 1/- each in Knowledge Economies Limited. (Under Liquidation) [at cost less provision for diminution (write down) in the value of investment of ₹ 80.85 lacs (Previous Year ₹ 80.85 lacs)]	59.59	59.59
	3	1,496,500 (Previous Year Nil) Equity shares of ₹ 1/- each in Delhi Stock Exchange Limited (Refer Note 45) [at cost less provision for diminution (write down) in the value of investment of ₹508.81 lacs (Previous Year Nil)]	538.74	-
	4	10,000 (Previous Year Nil) Equity shares of ₹ 10/- each in National Stock Exchange of India Limited (Refer Note 45)	278.47	-
	5	5,750,000 (Previous Year NIL) Equity shares of ₹ 10/- each in MCX SX Clearing Corporation Limited (Refer Note 45)	575.00	-
	6	290,000 (Previous Year Nil) Equity shares of ₹ 10/- each in Vadodara Stock Exchange Limited (Refer Note 45)	134.85	-
			1,858.30	**331.24**
(e)	**In warrants of other company**			
	562,460,000 (Previous Year Nil) Warrants of ₹ 1/- each of MCX Stock Exchange Limited. (MCX-SX) (Refer Note 45) Each warrant in MCX-SX entitles the holder to subscribe to one equity share of ₹ 1 each of MCX-SX at any time after six months from the date of issue of warrants. The warrants are also freely transferable by endorsement and delivery. The warrants do not carry voting or dividend rights		5,624.60	-
			5,624.60	-
(f)	**In units of mutual funds (Unquoted):**			
	1	10,454,296.25 (Previous Year 10,454,296.25) units of ₹ 10/- each of JM High Liquidity Fund - Bonus Option -Principal (Bonus) Units	1,024.91	1,024.91
	2	5,000,000.00 (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Yearly Interval Fund - Series 5 -Direct Plan - Growth Plan	500.00	500.00
	3	3,026,671.03 (Previous Year 3,026,671.03) units of ₹ 10/- each of Sundaram Mthly Income Plan Mod Bonus (PRINCIPAL Units) Bonus Units	333.33	333.33
	4	37,296,386.59 (Previous Year Nil) units of ₹ 10/- each of Peerless Liquid Fund -Direct Plan Growth	5,241.34	-
	5	313,137.98 (Previous Year Nil) units of ₹ 1000/- each of Taurus Liquid Fund -Direct Plan -Super Institutional Growth	4,338.19	-
	6	14,665,398.18 (Previous Year Nil) units of ₹ 10/- each of Sundaram Money Fund Direct Plan -Growth	3,964.53	-
	7	217,148.71 (Previous Year Nil) units of ₹ 1000/- each of Religare Invesco Liquid Fund-Direct Plan Growth	3,827.58	-
	8	242,243.80 (Previous Year Nil) units of ₹ 1000/- each of UTI - Money Market Fund - Institutional Plan -Direct Plan -Growth	3,477.76	-
	9	100,040.11 (Previous Year Nil) units of ₹ 1000/- each of Reliance Liquid Fund Treasury Plan - Direct Plan - Growth Plan	3,124.92	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

		As at 31.03.2014	As at 31.03.2013
10	200,344.58 (Previous Year Nil) units of ₹ 1000/- each of BOI Axa Liquid Fund Direct Plan - Growth	2,957.08	-
11	1,372,271.53 (Previous Year Nil) units of ₹ 100/- each of ICICI Prudential Liquid-Direct Plan - Growth	2,601.94	-
12	22,612,702.80 (Previous Year Nil) units of ₹ 10/- each of IDBI Dynamic Bond Fund -Direct Plan - Quarterly Dividend Reinvestment	2,425.62	-
13	116,730.12 (Previous Year Nil) units of ₹ 1000/- each of SBI Premier Liquid Fund-Direct Plan Growth	2,351.98	-
14	9,677,336.06 (Previous Year Nil) units of ₹ 10/- each of Morgan Stanley Active Bond Fund- Direct - Quarterly Dividend [at cost less provision for diminution (write down) in value ₹ 22.59 lacs (Previous Year ₹ Nil)]	1,131.75	-
15	7,707,026.32 (Previous Year Nil) units of ₹ 10/- each of Canara Robeco Income -Direct Quarterly Dividend	1,007.38	-
16	52,460.74 (Previous Year Nil) units of ₹ 1000/- each of Templeton India Treasury Management Account -Super Institutional Plan - Direct -Growth	1,001.87	-
17	78,279.58 (Previous Year Nil) units of ₹ 1000/- each of HSBC Cash Fund-Growth Direct Plan	1,000.00	-
18	7,235,881.65 (Previous Year Nil) units of ₹ 10/- each of Morgan Stanley Short Term Bond Fund- Direct Growth	987.39	-
19	42,384.14 (Previous Year Nil) units of ₹ 1000/- each of Axis Liquid Fund- Direct Plan - Growth	601.71	-
20	5,358,779.89 (Previous Year Nil) units of ₹ 10/- each of ICICI Prudential Regular Savings Fund- Regular Plan - Quarterly Dividend [at cost less provision for diminution (write down) in value ₹ 8.72 lacs (Previous Year ₹ Nil)]	546.64	-
21	27,328.71 (Previous Year Nil) units of ₹ 1000/- each of DSP BlackRock Liquidity Fund - Direct Plan - Growth	500.89	-
22	2,883,061.29 (Previous Year Nil) units of ₹ 10/- each of L&T Floating Rate Fund Direct - Growth -(Bonus)	333.33	-
23	18,739.46 (Previous Year Nil) units of ₹ 1000/- each of L&T Liquid Fund Direct Plan - Growth	329.14	-
24	1,340,928.35 (Previous Year Nil) units of ₹ 10/- each of L&T Triple Ace Bond Fund - Bonus- Original [at cost less provision for diminution (write down) in value ₹ 1.90 lacs (Previous Year ₹ Nil)]	164.77	-
25	Nil (Previous Year 43,509,082.72) units of ₹ 10/- each of BSL Dynamic Bond Fund -Retail - Growth	-	8,306.26
26	Nil (Previous Year 253,466.17) units of ₹ 1000/- each of Canara Robeco Treasury Advantage Fund - Direct Growth	-	4,500.00
27	Nil (Previous Year 33,266,614.14) units of ₹ 10/- each of Templeton India Income Opportunities Fund -Direct- Growth	-	4,362.78
28	Nil (Previous Year 41,835,933.18) units of ₹ 10/- each of Peerless Ultra Short Term Fund -Direct Plan Daily Dividend - Reinvestment	-	4,211.41
29	Nil (Previous Year 23,038,781.78) units of ₹ 10/- each of Reliance Floating Rate Fund - Short Term Plan - Growth Plan	-	4,000.00
30	Nil (Previous Year 22,878,032.16) units of ₹ 10/- each of Templeton India Ultra Short Bond Fund -Super Institutional Plan -Growth	-	3,416.88
31	Nil (Previous Year 20,366,816.18) units of ₹ 10/- each of Religare Invesco Short Term Fund- Growth.	-	3,119.29
32	Nil (Previous Year 8,431,020.08) units of ₹ 10/- each of ICICI Prudential Income Plan Regular Growth	-	3,007.48
33	Nil (Previous Year 24,870,202.43) units of ₹ 10/- each of Morgan Stanley Active Bond Fund- Direct Growth Plan	-	3,000.00
34	Nil (Previous Year 11,469,496.30) units of ₹ 10/- each of Reliance Short Term Fund -Growth Plan	-	2,430.71
35	Nil (Previous Year 15,740,085.68) units of ₹ 10/- each of Canara Robeco Short Term Fund - Regular Growth	-	2,052.94
36	Nil (Previous Year 10,524,966.18) units of ₹ 10/- each of BNP Paribas Flexi Debt Fund - Growth	-	2,000.00

(₹ lacs)

		As at 31.03.2014	As at 31.03.2013
37	Nil (Previous Year 13,456,595.75) units of ₹ 10/- each of Reliance Dynamic Bond Fund Growth Plan	-	2,000.00
38	Nil (Previous Year 13,319,573.66) units of ₹ 10/- each of Templeton India Low Duration Fund -Growth	-	1,624.19
39	Nil (Previous Year 130,428.70) units of ₹ 1000/- each of Templeton India Short Term Income Plan -IP monthly divIdend reinvest	-	1,561.91
40	Nil (Previous Year 140,176.32) units of ₹ 1000/- each of UTI -Floating Rate Fund - STP - Regular Plan -Direct Plan - Daily Dividend Reinvestment	-	1,509.53
41	Nil (Previous Year 3,642,438.78) units of ₹ 10/- each of Birla Sun Life Short Term Fund -Growth	-	1,500.00
42	Nil (Previous Year 15,000,000.00) units of ₹ 10/- each of L&T Short Term opportunities Fund - Growth	-	1,500.00
43	Nil (Previous Year 7,668,554.84) units of ₹ 10/- each of BNP Paribas Flexi Debt Fund - Direct Plan - Growth [at cost less provision for diminution (write down) in value Nil (Previous Year ₹ 0.21 lacs)]	-	1,499.79
44	Nil (Previous Year 127,576.62) units of ₹ 1000/- each of Pramerica Dynamic Bond Fund Growth Option	-	1,312.11
45	Nil (Previous Year 11,013,601.38) units of ₹ 10/- each of ICICI Prudential Ultra Short Term Plan-Direct Plan-Growth	-	1,300.00
46	Nil (Previous Year 9,080,923.76) units of ₹ 10/- each of DWS Short Maturity Fund - Institutional -Growth	-	1,191.61
47	Nil (Previous Year 8,907,238.26) units of ₹ 10/- each of Religare Invesco Active Income Fund - Growth.	-	1,181.71
48	Nil (Previous Year 1,119,748.03) units of ₹ 100/- each of BSL Floating Rate Fund - Long Term -Weekly Dividend - Direct Plan Reinvestment [at cost less provision for diminution (write down) in value Nil (Previous Year ₹ 0.56 lacs)]	-	1,120.98
49	Nil (Previous Year 5,126,118.00) units of ₹ 10/- each of Principal Income Fund Short Term Plan - Regular Plan Growth	-	1,000.62
50	Nil (Previous Year 8,504,630.77) units of ₹ 10/- each of Baroda Pioneer PSU Bond Fund Plan A – Growth Plan	-	1,000.00
51	Nil (Previous Year 6,161,163.72) units of ₹ 10/- each of IDFC Ultra Short Term Fund- Growth-(Direct Plan)	-	1,000.00
52	Nil (Previous Year 8,404,032.77) units of ₹ 10/- each of JP Morgan Short Term Income Fund - Regular Plan - Growth	-	1,000.00
53	Nil (Previous Year 97,062.74) units of ₹ 1000/- each of Mirae Asset Ultra Short Term Bond Fund - Direct Plan - Quarterly Dividend	-	1,000.00
54	Nil (Previous Year 7,892,236.54) units of ₹ 10/- each of Morgan Stanley Short Term Bond Fund- Institutional Plus Growth	-	1,000.00
55	Nil (Previous Year 49,871.48) units of ₹ 1000/- each of SBI Magnum Insta Cash Fund- Liquid Floater- Direct Plan - Growth	-	1,000.00
56	Nil (Previous Year 7,780,875.71) units of ₹ 10/- each of SBI Short Term Debt Fund - Regular Plan - Growth	-	1,000.00
57	Nil (Previous Year 6,295,643.42) units of ₹ 10/- each of Sundaram Ultra Short- Term Fund Direct Plan Growth	-	1,000.00
58	Nil (Previous Year 55,317.44) units of ₹ 1000/- each of Templeton India Short Term Income Plan -Institutional Growth	-	1,000.00
59	Nil (Previous Year 5,027,424.60) units of ₹ 10/- each of HDFC Floating Rate Income Fund -Short Term Plan - Direct Plan - Wholesale Option -Growth	-	999.50
60	Nil (Previous Year 62,807.30) units of ₹ 1000/- each of Reliance Money Manager Fund -Direct Growth Plan Growth option	-	999.35
61	Nil (Previous Year 6,478,974.00) units of ₹ 10/- each of BNP Paribas Short Term Fund Income Fund - Growth	-	848.09
62	Nil (Previous Year 39,420.12) units of ₹ 1000/- each of PineBridge India Total Return Bond Fund Direct Growth	-	600.00
63	Nil (Previous Year 55,17,678.59) units of ₹ 10/- each of Peerless Flexible Income Fund Growth	-	552.45

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

		As at 31.03.2014	As at 31.03.2013
64	Nil (Previous Year 2,261,122.92) units of ₹ 10/- each of Reliance Medium Term Fund Direct Growth Plan - Growth option	-	550.00
65	Nil (Previous Year 26,709.93) units of ₹ 1000/- each of Taurus Short Term Income Fund - Existing Plan - Growth	-	512.06
66	Nil (Previous Year 35,615.18) units of ₹ 1000/- each of PineBridge India Short Term Fund Direct Growth	-	500.82
67	Nil (Previous Year 46,105.54) units of ₹ 1000/- each of Union KBC Ultra Short Term Fund Debt Fund -Growth - Direct Plan	-	500.32
68	Nil (Previous Year 31,018.58) units of ₹ 1000/- each of Religare Invesco Ultra Short Term Fund-Direct Plan Growth	-	500.09
69	Nil (Previous Year 47,057.28) units of ₹ 1000/- each of Axis Banking Debt Fund - Direct Plan - Growth	-	500.00
70	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DWS Banking & PSU Debt Fund- Direct Plan- Growth	-	500.00
71	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of DWS Fixed Maturity Plan Series -24 -Direct Plan- Growth	-	500.00
72	Nil (Previous Year 40,120.31) units of ₹ 1000/- each of IDBI Ultra Short Term Fund - Growth -Direct	-	500.00
73	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of IDFC Yearly Series Interval Fund Direct Plan - Series III - Growth	-	500.00
74	Nil (Previous Year 45,512.55) units of ₹ 1000/- each of Pramerica Short Term Floating Rate Fund - Direct Plan - Growth Option	-	500.00
75	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Fixed Horizon Fund-XXII-Series 14- Growth Plan	-	500.00
76	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of Reliance Yearly Interval Fund -Series 1- Growth Plan	-	500.00
77	Nil (Previous Year 5,000,000.00) units of ₹ 10/- each of SBI Debt Fund Series -366 Days 23 Direct Plan - Growth	-	500.00
78	Nil (Previous Year 2,843,833.72) units of ₹ 10/- each of SBI Magnum Income Fund FR Long Term -Direct Plan - Growth	-	500.00
79	Nil (Previous Year 3,748,716.07) units of ₹ 10/- each of SBI Short Term debt fund - Direct Plan - Growth	-	500.00
80	Nil (Previous Year 2,848,808.06) units of ₹ 10/- each of Sundaram Flexible Fund - Short -Term Plan Regular Growth	-	500.00
81	Nil (Previous Year 3,718,329.13) units of ₹ 10/- each of UTI Short Term Income Fund -Institutional Option - Growth	-	500.00
82	Nil (Previous Year 3,615,172.15) units of ₹ 10/- each of UTI Short Term Income Fund-Institutional Option-Direct Plan - Growth	-	500.00
83	Nil (Previous Year 31,216.80) units of ₹ 1000/- each of Taurus Ultra Short Term Fund- Existing Plan - Super Institutional Growth	-	428.79
84	Nil (Previous Year 3,493,266.73) units of ₹ 10/- each of Axis Dynamic Bond Fund - Growth Plan	-	400.00
85	Nil (Previous Year 3,500,000.00) units of ₹ 10/- each of LIC Nomura Fixed Maturity plan Series 61-365 Days- Direct Growth Plan	-	350.00
86	Nil (Previous Year 18,368.84) units of ₹ 1000/- each of Pramerica Short Term Floating Rate Fund - Growth Option	-	200.00
87	Nil (Previous Year 1,147,405.55) units of ₹ 10/- each of Templeton India Ultra Short Bond Fund Super Institutional -Direct -Growth	-	175.00
88	Nil (Previous Year 6,195.69) units of ₹ 1000/- each of BOI Axa Treasury Advantage Fund Direct Plan - Growth	-	85.00
89	Nil (Previous Year 3,581.17) units of ₹ 1000/- each of Templeton India Short Term Income Retail Plan - Monthly dividend Reinvestment	-	41.81
		43,774.05	**88,811.72**
	Total other current investments (B)	**61,487.32**	**89,374.59**
	Total current investments (A+B)	**75,337.32**	**132,042.90**

(₹ lacs)

	As at 31.03.2014	As at 31.03.2013
* Reclassified during the year from long-term (non-current) investments		
Aggregate amount of quoted investments	1,060.77	-
Aggregate Market value of listed and quoted investments	64,985.18	-
Aggregate amount of unquoted investments	75,548.42	132,131.02
Aggregate amount of unquoted investments [net of diminution (write down) in the value of current investments]	74,276.55	132,042.90
Comprises:		
- Aggregate value of listed but not quoted investments	13,850.00	42,674.80
- Aggregate value of listed but not quoted investments [net of diminution (write down) in the value of current investments]	13,850.00	42,668.30
- Aggregate amount of unquoted investments	61,698.42	89,456.22
- Aggregate amount of unquoted investments [net of diminution (write down) in the value of current investments]	60,426.55	89,374.60
Aggregate provision for diminution (write down) in the value of current investments	1,271.87	88.12
17 TRADE RECEIVABLES		
Unsecured, considered good unless stated otherwise		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Considered good	230.42	248.01
Considered doubtful	432.54	445.22
	662.96	**693.23**
Less: Provision for doubtful trade receivables	(432.54)	(445.22)
	230.42	**248.01**
(b) Other Trade Receivables	6,545.18	8,062.46
	6,545.18	**8,062.46**
TOTAL	**6,775.60**	**8,310.47**
18 CASH AND CASH EQUIVALENTS		
Balances that meet the definition of Cash and Cash equivalents as per AS 3 - Cash Flow Statements		
Balances with banks		
In current accounts	4,773.86	2,799.01
In EEFC accounts	-	56.51
In deposit accounts with original maturity of less than 3 months	-	113.94
In earmarked accounts		
In current accounts	37.56	33.99
In deposit accounts with original maturity of less than 3 months	1,951.73	1,656.93
	6,763.15	**4,660.38**
Other Bank Balances		
In deposit accounts with original maturity of more than 12 months	2,123.74	3,846.96
[Includes ₹ 2,107.69 lacs (Previous Year: ₹270.74 lacs) under lien with banks]		
In deposit accounts with original maturity of more than 3 months but less than 12 months	2,945.07	20.77
[Includes ₹ 2,602.21 lacs (Previous Year: ₹ 8.07 lacs) under lien with banks]		
In earmarked accounts		
Unpaid dividend accounts	87.12	78.09
	5,155.93	**3,945.82**
TOTAL	**11,919.08**	**8,606.20**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

19	SHORT-TERM LOANS AND ADVANCES	As at 31.03.2014	As at 31.03.2013
	Unsecured, considered good unless stated otherwise		
	Loans and advances to related parties (Refer Note 37)		
	Considered good	30,770.63	5,952.34
	Considered doubtful	274.87	-
		31,045.50	**5,952.34**
	Provision for doubtful loans and advances (Refer Notes 50, 53 and 54)	(274.87)	-
		30,770.63	**5,952.34**
	Security deposits		
	Considered good	379.14	875.65
	Considered doubtful	27.25	15.25
		406.39	**890.90**
	Less: Provision for doubtful deposits	(27.25)	(15.25)
		379.14	**875.65**
	LOANS AND ADVANCES TO EMPLOYEES		
	Considered good	103.57	55.13
	Considered doubtful	0.60	4.54
		104.17	**59.67**
	Less: Provision for doubtful loans and advances	(0.60)	(4.54)
		103.57	**55.13**
	Prepaid expenses	1,127.49	578.07
	Balances with government authorities	969.22	659.96
	Advances for supply of goods and services		
	Considered good	1,113.53	319.01
	Considered doubtful	14.67	14.67
		1,128.20	**333.68**
	Less: Provision for doubtful advances for supply of goods and services	(14.67)	(14.67)
		1,113.53	**319.01**
	Other advances	23.39	-
	TOTAL	**34,486.97**	**8,440.16**

20	OTHER CURRENT ASSETS		
	Unbilled revenue	40.63	203.33
	Unamortised ancillary borrowing costs	224.40	469.57
	Interest accrued on bank deposits	170.18	231.89
	Interest accrued on investments	259.07	290.68
	Contractually reimbursable expenses	247.16	103.32
	Other Receivable	140.21	263.03
	Rent receivable	199.64	134.36
	Guarantee Fees receivable from related party (Refer Note 37)	167.96	1,295.13
	TOTAL	**1,449.25**	**2,991.31**

(₹ lacs)

21 REVENUE FROM OPERATIONS	Year Ended 31.03.2014	Year Ended 31.03.2013
Income from software products (IPR based license)	6,995.26	7,309.76
Income from software services (Project based)	23,338.26	35,337.41
IT infrastructure income	2,330.48	1,244.30
Sale of traded goods		
Computer hardware	4.01	19.35
Computer software	3.59	32.37
	7.60	**51.72**
Other operating revenues		
Business support services	730.31	1,054.91
Others	69.58	92.00
TOTAL	**33,471.49**	**45,090.10**

22 OTHER INCOME		
Interest income on		
Bank deposits	376.64	664.58
Long-term investments	696.01	395.01
Loans to subsidiaries	6,330.32	2,487.53
Income- tax refund	-	580.10
Loans to employees	33.40	65.94
	7,436.37	**4,193.16**
Dividend income		
From long-term investments		
In associates	2,724.04	4,956.25
Others	5.00	4.00
From current investments		
In an associate company	69.49	-
Others	511.84	3,340.04
	3,310.37	**8,300.29**
Net gain on sale of investments		
Long-term investments	4,123.78	954.71
Current investments		
In an associate company (Refer Note 46)	6,989.14	-
Others	3,834.05	3,743.15
	14,946.97	**4,697.86**
Reversal of write down in value of current investments (net)	-	35.44
Other non-operating income		
Rental income from operating leases [Refer Note 29(b)]	1,386.42	1,400.35
Profit on sale of fixed assets	-	460.63
Provision for expenses no longer required written back	-	177.65
Net gain on foreign currency transactions and translations	-	85.50
Guarantee fees [Includes ₹ Nil (Previous Year ₹ 606.51 lacs) relating to an earlier year)]	534.67	1,295.13
Miscellaneous income	29.51	5.98
	27,644.31	**20,651.99**

23 PURCHASES OF STOCK-IN-TRADE		
Computer hardware	3.32	14.42
Computer software	2.77	17.41
	6.09	**31.83**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

			Year Ended 31.03.2014	Year Ended 31.03.2013
24	**EMPLOYEE BENEFITS EXPENSE**			
	Salaries and wages		11,752.22	11,631.81
	Contribution to provident fund and other funds (Refer Note 40)		283.27	544.96
	Staff welfare expenses		239.70	233.93
		TOTAL	**12,275.19**	**12,410.70**
25	**FINANCE COSTS**			
	Interest expense on:			
	Borrowings		2,782.27	3,059.36
	Delayed payment of tax		9.60	35.81
	Other borrowing costs:			
	(Reversal of provision) / provision for estimated loss on interest rate swap contracts		(469.23)	648.87
	Amortisation of ancillary borrowing costs		731.18	539.70
		TOTAL	**3,053.82**	**4,283.74**
26	**DEPRECIATION AND AMORTISATION EXPENSE**			
	Depreciation on tangible assets (Refer Note 43)		2,465.18	1,647.59
	Amortisation of intangible assets		609.68	606.40
		TOTAL	**3,074.86**	**2,253.99**
27	**OTHER EXPENSES***			
	Electricity		491.19	460.07
	Rent including lease rentals [Refer Note 29(a)]		190.94	757.22
	Repairs and maintenance- buildings		10.29	28.03
	Repairs and maintenance- others		668.78	479.95
	Insurance		73.45	40.79
	Rates and taxes, excluding taxes on income		159.52	314.75
	Travelling and conveyance		296.56	235.01
	Communication expenses		536.12	334.20
	Net loss on foreign currency transactions and translations		2,922.56	-
	Write down in value of current investments (net)		534.75	-
	Legal and professional charges		4,008.09	880.45
	Software license fees		650.96	543.34
	Loss on disposal/write off of fixed assets (net)		40.87	-
	Bad debts/advances written off	84.88		49.23
	Less: Provision held	(75.50)		(24.59)
			9.38	24.64
	Provision for doubtful trade receivables		62.81	134.90
	Donations		264.94	856.00
	Provision for commission to non-executive directors		166.00	-
	Miscellaneous expenses		1,504.72	1,425.20
		TOTAL	**12,591.93**	**6,514.55**

* Net of recoveries on account of sharing of common expenses (Refer Note 37 for sharing of common expenses with related parties)

(₹ lacs)

28	CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED	Current Year	Previous Year
1	Contingent liabilities:		
	(a) Claims against the Company not acknowledged as debt		
	(i) Income tax demands against which the Company is in appeal [including adjustable against Securities Premium account ₹ 4,971.06 lacs (Previous Year ₹ 3,869.18 lacs)].	6,860.06	5,352.61
	(ii) MVAT, Service tax and Excise dues contested by the Company.	481.94	551.56
	(iii) Refer Note 55 for pending writ petitions, public interest litigations, civil suits and First Information Report.		
	(b) Guarantees		
	(i) Guarantees given to third parties by the Company on behalf of its subsidiary companies.	225.45	70,021.16
	(ii) Letters of comfort issued to banks in respect of credit facilities availed by subsidiary companies.	200.00	400.00
	Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.		
2	Capital and other commitments		
	(i) Estimated amount of contracts to be executed on capital account and not provided for.	4.67	1,152.77
	(ii) for commitments relating to lease (Refer Note 29) and for commitments relating to derivatives (Refer Note 32)		
	(iii) The Company has provided letters commiting continuing financial support to its subsidiaries viz. Bourse Africa Limited, Bourse Africa Clear Limited, Bahrain Financial Exchange BSC, FT Group Investment Pvt. Ltd, Knowledge Assets Private Limited and Bourse Africa (Botswana) Limited to meet their day to day obligations / loan obligations / commitments, to the extent these entities may be unable to meet their obligations.		

29 OPERATING LEASE

(a) The Company has entered into various cancellable and non-cancellable operating lease agreements as a lessee for various premises ranging from 6 months to 24 months and may be renewed for further period based on mutual agreement of the parties. The lease rentals recognised as an expense in the statement of profit and loss during the year are included in Note 27 under the head ‘Rent including lease rental’. Disclosure for non-cancellable operating lease is as follows:

(₹ lacs)

PARTICULARS	Current Year	Previous Year
Lease expenditure		
Lease rentals [net of recoveries ₹ 211.48 lacs	190.94	757.22
(Previous Year ₹ 270.07 lacs)]		
Future minimum lease payments		
Not later than one year	17.38	12.72
Later than one year and not later than five years	-	-
Later than five years	-	-

(b) The Company has entered into various cancellable and non-cancellable operating lease agreements as a lessor for various premises ranging from 7.5 months to 36 months and may be renewed for further period based on mutual agreement of the parties. The lease rentals recognised as income in the statement of profit and loss during the year are included in Note 22 under the head ‘Rental income from operating leases’. Disclosure for non-cancellable operating lease is as follows:

(₹ lacs)

PARTICULARS	Current Year	Previous Year
Lease Income		
Lease rentals	1,386.42	1,400.35
Future minimum lease payments		
Not later than one year	735.04	129.73
Later than one year and not later than five years	1,271.60	-
Later than five years	-	-
Fixed Assets*		
Gross carrying amount of leased assets	11,924.57	11,924.57
Accumulated depreciation	665.21	470.84
Depreciation recognised	194.37	194.37

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

30 a) EXPENDITURE IN FOREIGN CURRENCY (INCLUDING FOREIGN BRANCHES):

(₹ lacs)

NATURE OF EXPENSES	Current Year	Previous Year
Salaries and wages	-	57.42
Travelling expenses	15.48	55.49
Professional fees	3.75	29.72
Interest expenses on borrowings	2,051.36	3,054.44
Amortisation of ancillary borrowing costs	539.36	383.02
Insurance	0.24	1.36
Rent	5.19	6.23
Repairs and maintenance- others	0.93	8.14
Software license fees	211.29	172.79
Miscellaneous expenses	21.23	57.79
Total	**2,848.83**	**3,826.40**

b) EARNINGS IN FOREIGN EXCHANGE (INCLUDING FOREIGN BRANCHES):

(₹ lacs)

NATURE OF INCOME	Current Year	Previous Year
Income from software products (IPR based license)	34.32	49.78
Income from software services (Project based)	7,795.30	8,553.57
Sale of traded goods	0.63	8.55
Guarantee Fees	534.67	1,295.13
Interest on bank deposits	19.04	79.24
Interest on loans to subsidiaries	5,557.37	2,062.13
Total	**13,941.33**	**12,048.40**

31 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

(a) An amount of ₹ 4.94 lacs (Previous Year ₹ 13.47 lacs) and ₹ NIL (Previous Year ₹ Nil) was due and outstanding to suppliers as at the end of the accounting year on account of Principal and Interest respectively. (Refer Note 9)

(b) No interest paid during the year.

(c) No interest is due and payable at the end of the year.

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

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

32 a) DERIVATIVE INSTRUMENTS OUTSTANDING AS AT THE BALANCE SHEET DATE

TYPE OF CONTRACT	Currency	Amount in foreign currency (USD in lacs)	
		As at 31.03.2014	As at 31.03.2013
Interest rate swap contracts (Floating to Fixed)	USD	764.50*	1100.00*
Forward exchange contracts	Sell USD / Buy INR	-	21.00

*Principal amount of loan covered under contracts.

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

PARTICULARS	CURRENCY	Current Year		Previous Year	
		Foreign Currency in lacs	₹ in Lacs	Foreign Currency in lacs	₹ in Lacs
Payables in foreign currency					
Borrowings including interest	-USD	771.14	46,345.62	1,105.88	60,147.14
Advances from customers	-USD	208.30	12,518.81	208.30	11,329.32
Other payables	-AED	1.60	26.08	1.48	22.01
	-MUR	-	-	0.23	0.43
	-USD	0.11	6.33	2.35	127.99
Receivables in foreign currency					
Loans and advances to related parties					
including interest	-SGD	0.43	20.42	0.43	18.91
	-USD	1,787.28	107,414.90	848.85	46,168.40
Trade receivables	-USD	2.81	168.78	4.54	246.95
Other receivables	-USD	3.48	208.89	25.30	1,376.05

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

(₹ lacs)

PARTICULARS	Current Year	Previous Year
For audit (*includes ₹ 50.00 lacs pertaining to additional work in respect of year ended 31st March, 2013)	69.00*	27.00
For taxation matters	7.50	8.00
For limited reviews	11.00	9.00
For other services	5.60	7.25
Reimbursement of expenses	0.22	0.65
Total	**93.32**	**51.90**

34 REVENUE EXPENDITURE INCURRED DURING THE YEAR ON RESEARCH AND DEVELOPMENT

The aggregate amount of revenue expenditure incurred during the year on Research and Development as per allocation made by the management and shown in the respective heads of the account is ₹ 948.96 lacs (Previous Year ₹ 1,310.10 lacs). This has been relied upon by the auditors.

35 EARNINGS PER SHARE IS CALCULATED AS FOLLOWS :

(₹ lacs)

PARTICULARS	Current Year	Previous Year
(a) Net profit / (Loss) attributable to the equity shareholders (for basic/diluted EPS)	(22,854.85)	32,288.06
(b) Weighted average number of equity shares		
For Basic EPS	46,078,537	46,078,537
Add: Effect of dilutive stock options	-	391,907
For Diluted EPS	46,078,537	46,470,444
(c) Basic earnings per share (in ₹)	(49.60)	70.07
(d) Diluted earnings per share (in ₹)	(49.60)	69.48
(e) Face value ₹ per share	2/-	2/-

36 SEGMENT REPORTING:

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

Revenues and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment or those which can be reasonably allocated to the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

a) Primary segment: Business segments

(₹ lacs)

PARTICULARS	Current Year STP Technologies/ Solutions	Current Year Others	Current Year Total	Previous Year STP Technologies/ Solutions	Previous Year Others	Previous Year Total
Segment revenue (External)	29,623.76	3,847.73	33,471.49	41,794.09	3,296.01	45,090.10
Net Sales/ Income from operations	29,623.76	3,847.73	33,471.49	41,794.09	3,296.01	45,090.10
Segment result	19,944.41	1,964.50	21,908.91	32,186.23	1,930.50	34,116.73
Add : Unallocable income			20,207.94			16,458.83
Less: Unallocable expenses			64,534.80			10,237.70
Less: Finance costs			3,053.82			4,283.74
Add : Interest Income			7,436.37			4,193.16
Profit / (Loss) before tax			(18,035.40)			40,247.28
Less : Provision for taxation			4,819.45			7,959.22
Profit / (Loss) after tax			(22,854.85)			32,288.06
Depreciation	-	325.74		-	166.83	
Non-cash expenses -						
Bad debts/advances written off	-	-		24.64	-	
Provision for doubtful trade receivables	62.81	-		134.90	-	

Notes:

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

b) Secondary Segment: Geographical segments:

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

(₹ lacs)

PARTICULARS	Current Year	Previous Year
Net Revenue/ Income from Operations		
Within India	25,641.24	36,478.20
Outside India	7,830.25	8,611.90
Total	**33,471.49**	**45,090.10**

37 RELATED PARTY DISCLOSURE:

I. Names of related parties and nature of relationship:

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

1 TickerPlant Ltd. (TickerPlant)
2 IBS Forex Ltd. (IBS)
3 atom Technologies Ltd. (atom)
4 Riskraft Consulting Ltd. (Riskraft)
5 National Spot Exchange Ltd. (NSEL)
6 Western Ghats Agro Growers Company Limited (Western Ghats) (Subsidiary of NSEL) (w.e.f 5th September, 2012)
7 Farmer Agricultural Integrated Development Alliance Ltd. (FAIDA) (Subsidiary of NSEL) (w.e.f 1st August, 2012)
8 National Bulk Handling Corporation Ltd. (NBHC) (Refer Note 49)
9 FT Group Investments Pvt. Ltd. (FTGIPL)
10 Financial Technologies Middle East- DMCC (FTME) (Subsidiary of FTGIPL)
11 Bourse Africa Limited (GBOT) (formerly known as Global Board of Trade Ltd.) (Subsidiary of FTGIPL)
12 Bourse Africa Clear Limited (GBOT CL) (formerly know as GBOT Clear Limited) (Subsidiary of GBOT) (w.e.f 14th Feburary, 2013)
13 Knowledge Assets Pvt. Ltd. (KAPL)
14 Financial Technologies Communications Ltd. (FTCL)
15 Global Payment Networks Ltd. (GPNL)
16 FT Knowledge Management Company Ltd. (FTKMCL)
17 Indian Bullion Market Association Ltd. (IBMA) (Subsidiary of NSEL)
18 Trans-Global Credit & Finance Ltd. (TGCFL)
19 Capricorn Fin-Tech (Pvt). Ltd. (Subsidiary of FTME)
20 Bourse Africa (Bostwana) Limited (BAL) (formerly known as Bourse Africa Ltd.) (Subsidiary of FTGIPL)
21 Boursa India Ltd. (BIL)
22 ICX Platform (Pty) Ltd. (ICX)
23 Credit Market Services Ltd. (CMSL)
24 Takshashila Academia of Economic Research Ltd. (TAER)
25 Apian Finance and Investments Ltd. (APIAN)
26 Bahrain Financial Exchange BSC (c) (BFX) (Subsidiary of FTGIPL)
27 Financial Technologies Singapore Pte Ltd. (FTSPL)
28 Singapore Mercantile Exchange PTE Ltd. (SMX) (Subsidiary of FTSPL) (upto 2nd February, 2014) (Refer Note 48)
29 Singapore Mercantile Exchange Clearing Corporation PTE Ltd. (SMX-CCL) (Subsidiary of SMX) (upto 2nd February, 2014) (Refer Note 48)
30 BFX Clearing & Depository Corporation BSC(c) (Subsidiary of BFX)
31 FT Projects Ltd. (FTPL)
32 Financial Technologies Projects Pvt. Ltd. (FTPPL)
33 ICX Africa Ltd. (Subsidiary of BAL)
34 Bourse Exchange Nigeria Ltd. (Subsidiary of BAL)
35 Bourse Africa (Kenya) Ltd. (Subsidiary of BAL)
36 Bourse Uganda Ltd. (Subsidiary of BAL)
37 Bourse Zambia Ltd. (Subsidiary of BAL)
38 Bourse Tanzania Ltd. (Subsidiary of BAL)
39 Bourse South Africa Limited (Subsidiary of BAL) (w.e.f. 19th October, 2012)

(ii) Associate Companies:

1 Multi Commodity Exchange of India Ltd. (MCX) (upto 25th December, 2013, Refer Note 44)
2 MCX-SX Clearing Corporation Ltd. (MCXSX-CCL) (upto 18th March, 2014, Refer Note 45)
3 Indian Energy Exchange Ltd. (IEX) (Refer Note 46)
4 SME Exchange of India Ltd. (SME)

(iii) Jointly Controlled Entity:

Dubai Gold and Commodities Exchange (DGCX)

(iv) Key Management Personnel (KMP)

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

* Mr. Jignesh Shah and Mr. Manjay Shah are brothers.

(v) Entity over which Key management personnel (referred in (iv) 1 above) and relative of the said KMP can exercise significant influence:

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

II. Details of transactions with subsidiaries, associates and jointly controlled entitiy during the year ended 31st March, 2014 and balances outstanding as at 31st March, 2014:

(₹ lacs)

NATURE OF TRANSACTION		Subsidiary Companies	Associate Companies (Refer footnote 2)		Jointly Controlled Entity	Total
			For the year / as at the year end (in respect of MCX for the period of 9 months upto 31st December, 2013)	In respect of MCX for the period of 3 months ended / as at 31st March, 2014		
1	**Loan given:**					
	Opening balance	49,860.12	-	-	-	49,860.12
		(29,160.70)	(-)	(-)	(-)	(29,160.70)
	Given during the year	119,577.59	-	-	-	119,577.59
		(24,942.13)	(-)	(-)	(-)	(24,942.13)
	Repaid / adjusted during the year	37,874.90	-	-	-	37,874.90
		(3,104.78)	(-)	(-)	(-)	(3,104.78)
	Converted into Optionally Convertible Debentures (OCD)	-	-	-	-	-
		(2,500)	(-)	(-)	(-)	(2,500)
	Exchange rate fluctuation	5,477.19	-	-	-	5,477.19
		(1,362.07)	(-)	(-)	(-)	(1,362.07)
	Balance as at end of the year	137,040.00	-	-	-	137,040.00
		(49,860.12)	(-)	(-)	(-)	(49,860.12)
2	**Income from software products (IPR based license)**	34.32	40.83	10.37	-	85.52
		(219.14)	(79.62)	(-)	(-)	(298.76)
3	**Income from software services (Project based)**	7,861.52	7,391.48	1,455.35	-	16,708.35
		(10,982.99)	(13,037.78)	(-)	(451.92)	(24,472.69)
4	**IT infrastructure sharing income**	-	566.69	185.26	-	751.95
		(2.10)	(304.55)	(-)	(-)	(306.65)
5	**Sale of traded goods**	0.53	-	-	-	0.53
		(8.55)	(8.00)	(-)	(-)	(16.55)
6	**Other Operating revenues**					-
	Business Support Services	400.37	175.00	-	-	575.37
		(545.74)	(303.55)	(-)	(-)	(849.29)
	Others	0.11	16.03	5.25	-	21.39
		(-)	(21.28)	(-)	(-)	(21.28)
7	**Other Income**					
	Interest income	6,330.32	-	-	-	6,330.32
		(2,487.53)	(-)	(-)	(-)	(2,487.53)
	Rental income from operating leases	366.74	-	-	-	366.74
		(513.21)	(-)	(-)	(-)	(513.21)
	Dividend Income	-	2,793.53	-	-	2,793.53
		(-)	(4,956.25)	(-)	(-)	(4,956.25)
	Guarantee fees	534.67	-	-	-	534.67
		(1,295.13)	(-)	(-)	(-)	(1,295.13)
8	**Sale of Tangible Assets**	5.50	-	-	-	5.50
		(2.04)	(0.89)	(-)	(-)	(2.93)

(₹ lacs)

NATURE OF TRANSACTION		Subsidiary Companies	Associate Companies (Refer footnote 2)		Jointly Controlled Entity	Total
			For the year / as at the year end (in respect of MCX for the period of 9 months upto 31st December, 2013)	In respect of MCX for the period of 3 months ended / as at 31st March, 2014		
9	**Purchase of Tangible Assets**	0.26	88.41	11.78	-	100.45
		(12.26)	(7.24)	(-)	(-)	(19.50)
10	**Recoveries charged by the Company towards expenses (Refer Note 27)**	740.42	197.58	67.06	-	1,005.06
		(509.61)	(217.05)	(-)	(-)	(726.66)
11	**Reimbursement of expenses charged to the Company**	73.54	5.34	15.36	-	94.24
		(69.93)	(15.03)	(-)	(-)	(84.96)
12	**Advances given**					
	Balance as at end of the year	2,190.46	2.16	23.38*	-	2,216.00
		(1,151.34)	(4.51)	(-)	(-)	(1,155.85)
13	**Current Liabilities as at end of the year**					
	Trade payables	15.89	-	-	-	15.89
		(15.90)	(-)	(-)	(-)	(15.90)
	Income received in advance / unearned revenue	664.49	138.67	1,049.26	-	1,852.42
		(850.86)	(898.86)	(-)	(-)	(1,749.72)
	Advances from customers	12,470.71	-	-	-	12,470.71
		(11,285.80)	(-)	(-)	(-)	(11,285.80)
14	**Receivables as at end of the year**					
	Trade receivables	289.72	39.81	2,119.10	-	2,448.63
		(2,636.35)	(51.08)	(-)	(6.53)	(2,693.96)
	Other receivable	341.54	3.66	98.83	-	444.03
		(1,295.13)	(-)	(-)	(-)	(1,295.13)
15	**Guarantees given by the company on behalf of its subsidiaries.**					
	Increase in guarantees given	22,506.75	-	-	-	22,506.75
		(4,098.19)	(-)	(-)	(-)	(4,098.19)
	Decrease in guarantees given	92,302.46	-	-	-	92,302.46
		(735.00)	(-)	(-)	(-)	(735.00)
	Balance as at end of the year	225.45	-	-	-	225.45
		(70,021.16)	(-)	(-)	(-)	(70,021.16)
16	**Investments made during the year**					
	Subscription to Equity / Ordinary shares	501.05	-	-	-	501.05
		(1,425.00)	(-)	(-)	(-)	(1,425.00)
	Conversion of loan granted into Optionally Convertible Debentures (OCD) by FT Projects Ltd.	-	-	-	-	-
		(2,500.00)	(-)	(-)	(-)	(2,500.00)
17	**Investment balance as at end of the year**					
	Cost	65,018.45	782.45	1635.77#	828.78	68,265.45
		(64,517.41)	(2,554.70)	(-)	(828.78)	(67,900.89)
	Provision for other than temporary diminution in the value of Investments	13,181.70	-	-	-	13,181.70
		(1,737.26)	(-)	(-)	(-)	(1,737.26)
	Net Carrying value of Investments	51,836.75	782.45	1635.77#	828.78	55,083.75

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ lacs)

NATURE OF TRANSACTION	Subsidiary Companies	Associate Companies (Refer footnote 2)		Jointly Controlled Entity	Total
		For the year / as at the year end (in respect of MCX for the period of 9 months upto 31st December, 2013)	In respect of MCX for the period of 3 months ended / as at 31st March, 2014		
	(62,780.15)	(2,554.70)	(-)	(828.78)	(66,163.63)
18 Provision made during the year					
Provision for other than temporary diminution in value of investments	11,444.44	-	-	-	11,444.44
	(-)	(-)	(-)	(-)	(-)
Provision for doubtful loans and advances	36,696.82	-	-	-	36,696.82
	(-)	(-)	(-)	(-)	(-)
Provision for doubtful trade receivables	24.07	-	-	-	24.07
	(-)	(-)	(-)	(-)	(-)
19 Provision as at end of the year					
Provision for other than temporary diminution in value of investments	13,181.70	-	-	-	13,181.70
	(1,737.26)	(-)	(-)	(-)	(1,737.26)
Provision for doubtful loans and advances	36,696.82	-	-	-	36,696.82
	(-)	(-)	(-)	(-)	(-)
Provision for doubtful trade receivables	24.07	-	-	-	24.07
	(-)	(-)	(-)	(-)	(-)

* Includes ₹ 0.68 lacs receivable from MCX-SX CCL (Refer Note 45)

Includes ₹ 575.00 lacs investments in MCX-SX CCL (Refer Note 45)

Notes:

1 The Company has derecongnised / postponed the income receivable from its subsidiary NSEL and IBMA. (Refer Note 53)

2 With effect from 26th December, 2013, as stated in Note 44, the Company does not have any significant influence over MCX, however, transactions with MCX from 1st January, 2014 to 31st March, 2014 and balances outstanding as at 31st March, 2014 have been disclosed as additional information.

3 Refer Note 28(1)(b)(ii) for letter of comforts issued and Note 28(2)(iii) for letters committing continuing financial support to its subsidiaries.

4 Previous year figures are given in brackets.

III Transactions with Key Managerial Personnel (KMP), relatives of KMP and Entity over which KMP and relative of KMP can excersise significant influence:

(₹ lacs)

NATURE OF TRANSACTIONS	KMP	Relatives of KMP	Entity over which the KMP and relative of KMP can exercise significant influence-La-Fin	Total
Salary and Allowances	1,283.55	-	-	1,283.55
	(2,156.91)	(-)	(-)	(2,156.91)
Dividend paid during the year	677.35	18.39*	986.40	1,682.14
	(677.35)	(19.74)*	(986.40)	(1,683.49)
Salary and Allowance payable as at the end of the year	450.00	-	-	450.00
	(1,500.00)	(-)	(-)	(1,500.00)

* Represents payments to Mrs. Rupal J. Shah, Mr. Manish P. Shah, Mrs. Pushpa P. Shah, Mr.Prakash B. Shah, Mrs. Bina M. Shah, Mrs. Tejal M. Shah, Mr. Mandar Neralla and Ms. Nakshi Manish Shah.

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

(a) Key Managerial personnel

(₹ lacs)

TRANSACTIONS DURING THE YEAR	Key Managerial Personnel
Salary and allowances	
Jignesh Shah	748.80
	(1,802.82)
Dewang Neralla	236.69
	(176.62)
Manjay Shah	298.06
	(177.47)
Dividend paid	666.37
Jignesh Shah	(666.37)

(b) Party-wise details of transactions with subsidiaries, associates and a jointly controlled entity if it is in excess of 10% of the total amount of that particular type of related party transactions:

(₹ lacs)

	Subsidiaries/Associates/Jointly controlled entity								
TRANSACTIONS DURING THE YEAR	**Atom**	**Tickerplant**	**NBHC**	**NSEL**	**IBMA**	**FTCL**	**FTME**	**Apian**	**FTKMCL**
Loan given	350.00	550.00	13,350.00	21,433.06	-	-	-	5.00	-
	(735.75)	(718.00)	(-)	(-)	(-)	(-)	(-)	(1,656.50)	(-)
Loan repaid	-	225.00	8,850.00	-	-	-	-	1,560.00	-
	(1,404.00)	(120.00)	(-)	(-)	(-)	(-)	(-)	(1,450.98)	(-)
Income from software products	-	-	-	-	-	-	34.32	-	-
(IPR based license)	(-)	(-)	(-)	(178.63)	(-)	(-)	(40.51)	(-)	(-)
Income from software services	-	-	-	-	-	-	-	-	-
(Project based)	(-)	(-)	(-)	(2,969.85)	(-)	(-)	(-)	(-)	(-)
IT-infrastructure	-	-	-	-	-	-	-	-	-
sharing income	(-)	(-)	(1.75)	(0.18)	(-)	(-)	(-)	(-)	(-)
Sale of traded goods	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Business Support Services	240.77	60.00	60.00	-	-	-	-	-	-
	(240.00)	(60.00)	(-)	(146.14)	(-)	(-)	(-)	(-)	(-)
Guarantee Fees	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Others	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Interest Income	42.84	96.16	-	111.47	-	-	-	185.69	-
	(78.75)	(44.23)	(-)	(-)	(-)	(-)	(-)	(288.32)	(-)
Rental income from operating leases	93.00	150.00	59.33	-	-	-	-	-	59.33
	(63.00)	(150.00)	(49.16)	(157.20)	(33.74)	(-)	(-)	(-)	(53.34)
Dividend Income	-	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Sale of Tangible Assets	0.79	0.99	3.64	-	-	-	-	-	-
	(-)	(1.25)	(0.18)	(0.40)	(-)	(-)	(-)	(-)	(-)
Purchase of Tangible Assets	-	-	-	-	-	-	-	-	-
	(6.85)	(2.94)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Recoveries charged by the	66.83	153.79	64.60	77.07	-	-	-	-	-
company towards expenses (Refer Note 27)	(36.56)	(98.72)	(157.34)	(112.87)	(-)	(-)	(-)	(-)	(-)
Reimbursement of expenses	-	1.03	6.74	-	-	55.44	-	-	0.17
charged to the Company	(-)	(0.44)	(1.03)	(-)	(-)	(55.44)	(-)	(-)	(2.60)
Increase in guarantees given	-	-	-	22,500.00	-	6.75	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Decrease in guarantees given	-	-	-	23,500.00	-	-	-	-	-
	(-)	(-)	(-)	(735.00)	(-)	(-)	(-)	(-)	(-)
Investment made during the year	-	-	-	-	-	-	-	-	-
	(1,425.00)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Provision for other than temporary	-	-	-	4,499.99	-	-	-	-	-
diminution in value of investments	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Provision for doubtful loans and advances	-	-	-	21,543.03	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Provision for doubtful trade receivables	-	-	-	21.71	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

(b) Party-wise details of transactions with subsidiaries, associates and a jointly controlled entity if it is in excess of 10% of the total amount of that particular type of related party transactions: (Cont.)

(₹ lacs)

	Subsidiaries/Associates/Jointly controlled entity							
TRANSACTIONS DURING THE YEAR	**GBOT**	**FTGIPL**	**BFX**	**SMX**	**FTPL**	**FTSPL**	**MCX** (Transactions with MCX upto 31st December, 2013)	**IEX**
Loan given	-	74,664.32	-	-	-	9,165.58	-	-
	(-)	(11,788.73)	(-)	(-)	(2,500.00)	(8,888.64)	(-)	(-)
Loan repaid	-	27,239.90	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Income from software products	-	-	-	-	-	-	40.83	-
(IPR based license)	(-)	(-)	(-)	(-)	(-)	(-)	(79.62)	(-)
Income from software services	2,648.85	-	2,530.67	1,711.82	-	-	5,473.89	1,917.59
(Project based)	(2,602.10)	(-)	(2,490.14)	(1,876.15)	(-)	(-)	(12,027.50)	(1,010.28)
IT-infrastructure	-	-	-	-	-	-	566.69	-
sharing income	(-)	(-)	(-)	(-)	(-)	(-)	(304.55)	(-)
Sale of traded goods	0.53	-	-	-	-	-	-	-
	(8.55)	(-)	(-)	(-)	(-)	(-)	(8.00)	(-)
Business Support Services	-	-		-	-	-	175.00	-
	(-)	(-)	(-)	(-)	(-)	(-)	(303.55)	(-)
Guarantee Fees	-	534.67	-	-	-	-	-	-
	(-)	(1,295.13)	(-)	(-)	(-)	(-)	(-)	(-)
Others	-	-	-	-	-	-	16.03	-
	(-)	(-)	(-)	(-)	(-)	(-)	(21.28)	(-)
Interest Income	-	4,503.08	-	-	-	1,048.58	-	-
	(-)	(1,711.93)	(-)	(-)	(-)	(346.28)	(-)	(-)
Rental income from operating leases	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Dividend Income	-	-	-	-	-	-	2,519.32	274.21
	(-)	(-)	(-)	(-)	(-)	(-)	(4,773.45)	(182.81)
Sale of Tangible Assets	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(0.78)	(-)
Purchase of Tangible Assets	-	-	-	-	-	-	88.41	-
	(-)	(-)	(-)	(-)	(-)	(-)	(7.24)	(-)
Recoveries charged by the	-	-	-	-	-	181.18	171.73	-
company towards expenses (Refer Note 27)	(-)	(-)	(-)	(-)	(-)	(-)	(193.39)	(-)
Reimbursement of expenses	-	-	-	-	-	-	4.82	0.30
charged to the Company	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(12.02)
Increase in guarantees given	-	-	-	-	-	-	-	-
	(-)	(4,089.49)	(-)	(-)	(-)	(-)	(-)	(-)
Decrease in guarantees given	-	68,802.46	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Investment made during the year	-	-	-	-	500.00	-	-	-
	(-)	(-)	(-)	(-)	(2,500.00)	(-)	(-)	(-)
Provision for other than temporary	-	6,929.37	-	-	-	-	-	-
diminution in value of investments	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Provision for doubtful loans and advances	-	14,988.89	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Provision for doubtful trade receivables	-	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

38 LOANS AND ADVANCES IN THE NATURE OF LOANS (AS REQUIRED BY CLAUSE 32 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES)

(₹ lacs)

Name of the Company		Balance as on 31.03.14	Balance as on 31.03.13	Maximum amount outstanding during the year
National Bulk Handling Corporation Ltd.	Subsidiary	4,599.48	2.58	10,200.45 (61.42)
National Spot Exchange Ltd.	Subsidiary	21,543.04	1.36	22,592.70 (84.54)
TickerPlant Ltd.	Subsidiary	1,313.64	921.42	1,375.10 (983.68)
atom Technologies Ltd.	Subsidiary	633.43	250.80	660.99 (1,451.69)
Financial Technologies Communications Ltd.	Subsidiary	2.25	-	9.57 (9.65)
FT Group Investments Pvt. Ltd.	Subsidiary	87,781.38	35,778.26	133,942.29 (35,778.26)
Singapore Mercantile Exchange Pte. Ltd.	Step down Subsidiary	-	0.03	0.03 (3.72)
FT Knowledge Management Company Ltd.	Subsidiary	9.88	0.39	14.94 (104.79)
Trans-Global Credit & Finance Ltd.	Subsidiary	1.51	1.50	1.58 (1.54)
Apian Finance & Investment Ltd	Subsidiary	1,958.55	3,475.52	3,475.52 (4,060.06)
Credit Market Services Ltd	Subsidiary	19.38	19.00	20.61 (19.90)
Takshashila Academia of Economic Research Ltd.	Subsidiary	140.22	132.00	140.41 (152.64)
Bourse Africa Ltd.	Step down Subsidiary	58.09	-	58.09 (20.16)
Bourse Africa (Bostwana) Ltd.	Step down Subsidiary	16.50	3.84	22.17 (25.15)
IBS Forex Ltd.	Subsidiary	0.78	-	0.79 (12.55)
ICX Platform (PTY) Ltd.	Subsidiary	215.27	155.07	409.52 (155.07)
Indian Bullion Market Association Ltd	Step down Subsidiary	3.79	6.67	13.39 (28.63)
Financial Technologies Singapore Pte Ltd.	Subsidiary	20,931.85	10,253.82	20,931.85 (10,253.82)
Bahrain Financial Exchange (BSC)	Step down Subsidiary	1.41	9.20	11.00 (9.20)
Indian Energy Exchange Ltd.	Associate	2.16	4.26	4.26 (5.17)
Multi Commodity Exchange of India Ltd *	Associate (upto 25th December, 2013)	22.70	0.07	51.00 (107.23)
MCX SX Clearing Corporation Ltd.	Associate (upto 18th March, 2014)	0.68	0.18	2.38 (18.51)
Total		**139,255.99**	**51,015.97**	

*amounts have been disclosed for full year (also refer foot note 2 to note 37)

Notes:
i) Loans to employees as per the Company's policy are not considered.
ii) None of the loanees have made investments in the shares of the Company.
iii) Above amount Includes non- interest bearing advances.
iv) Figures disclosed above are without reducing amount of provision made for doubtful loans and advances.
v) Figures in respect of maximum amount outstanding during the Previous Year are given in brackets.

39 STOCK BASED COMPENSATION

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

During the previous year, Remuneration and Compensation Committee of the Company at their meeting held on March 05, 2013 has considered and approved the grant from reissue of lapsed / cancelled options of 1,86,630 Stock Options under the Employee Stock Option Schemes of which 74,350 options are granted under scheme-2009 and 1,12,280 options under scheme-2010 at a price of ₹ 807.70 to the eligible employees / Directors of the Company in terms of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time.

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

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

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

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

PARTICULARS	ESOP 2009 (Nos.)	ESOP 2010 (Nos.)
Options outstanding as at the beginning of the year	892,500	880,955
	(900,000)	(900,000)
Options granted during the year	-	-
	(74,350)	(112,280)
Options exercised during the year	-	-
	(-)	(-)
Options lapsed / forfeited / cancelled during the year	278,005	277,549
	(81,850)	(131,325)
Options outstanding as at the year-end	614,495	603,406
	(892,500)	(880,955)
Options exercisable as at the year-end	219,261	209,611
	(163,630)	(153,735)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

b) The Company has followed the intrinsic value-based method of accounting for stock option. Had the compensation cost of the Company's stock based compensation plans been determined using the fair value approach, the Company's net loss for the year would have been higher by ₹ 303.33 lacs (Previous Year net profit would have been lower by ₹ 2,006.40 lacs) and earnings (i.e. loss) per share for the year would have been higher and earnings per share for the previous year would have been lower as indicated below:

(₹ lacs)

PARTICULARS			Current Year	Previous Year
Net profit / (loss) for the year (₹ lacs)			(22,854.85)	32,288.06
Less: Total stock-based employee compensation expense determined under fair value based method			303.33	2,006.40
Adjusted net profit for basic & diluted EPS			(23,158.18)	30,281.66
Weighted average no. of shares :				
Basic			46,078,537	46,078,537
Add: Effect of dilutive stock options			-	391,907
Diluted			46,078,537	46,470,444
Basic and diluted earnings per share (face value ₹ 2 /- per share)				
- As reported (in ₹)	:	Basic	(49.60)	70.07
	:	Diluted	(49.60)	69.48
- As adjusted (in ₹)	:	Basic	(50.26)	65.72
	:	Diluted	(50.26)	65.16

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

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

40 EMPLOYEE BENEFIT PLANS:

Defined contribution plans: The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contributions plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised following amounts as contributions in the statement of profit and loss as part of contribution to provident fund and other funds in Note 24 Employee benefits expenses.

Contribution to PF : ₹285.01 lacs (Previous Year ₹ 290.52 lacs)

Contribution to ESIC : ₹3.29 lacs (Previous Year ₹ 3.81 lacs)

Post employment defined benefit plans:

Gratuity Plan (Included as part of contribution to provident fund and other funds in Note 24 Employee benefits expense): 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 funded status of the gratuity plan and amount recognised in the financial statements.

(₹ lacs)

PARTICULARS	Current Year	Previous Year
I. Change in defined benefit obligation during the year:		
Present Value of defined benefit obligation at the beginning of the year	1,162.41	947.81
Interest Cost	92.96	80.40
Current Service Cost	171.90	116.85
Benefits Paid	(135.56)	(70.09)
Actuarial (gain) / loss on obligations	(202.01)	116.35
Obligation transferred	(5.09)	(28.91)
Present Value of defined benefit obligation at the end of the year	**1,084.61**	**1,162.41**
II. Change in fair value of plan assets during the year:		
Fair Value of the plan asset at the beginning of the year	841.12	721.41
Expected return on plan assets	73.14	62.04
Contributions	129.09	155.74
Benefits paid	(135.56)	(70.09)
Obligation transferred	(5.09)	(28.91)
Actuarial gain/ (loss) on plan assets	(5.26)	0.93
Fair value of plan assets at the end of the year	**897.44**	**841.12**
Excess of obligation over plan assets	**(187.17)**	**(321.29)**
III. Components of employer's expense		
Current service cost	171.90	116.85
Interest cost	92.96	80.40
Expected return on plan assets	(73.14)	(62.04)
Net actuarial (gain) / loss recognized	(196.75)	115.42
Total expense / (credit) recognised in the Statement of Profit and Loss	**(5.03)**	**250.63**
IV. Actual return on plan assets	**67.88**	**62.97**
V. Composition of Plan Assets as at the end of the year		
Insurer Managed Funds	897.44	841.12
Fund is managed by LIC of India as per IRDA guidelines, category wise composition of planned asset is not available		
TOTAL	**897.44**	**841.12**
VI. Actuarial assumptions		
Discount rate	9.31%	8.00%
Salary escalation rate	7.50%	7.50%
Expected rate of return on plan assets	9.31%	8.70%
Attrition rate	For service 4 yrs & Below 6.00% p.a. & 2% p.a. thereafter	For service 4 yrs & Below 6.00% p.a. & 2% p.a. thereafter
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

VII. Experience adjustments	**2014**	**2013**	**2012**	**2011**	**2010**
Defined benefit obligation	1,084.61	1,162.41	947.81	775.73	667.03
Fair value of planned assets	897.44	841.12	721.41	593.88	452.59
Funded Status - Deficit	187.17	321.29	226.40	181.85	214.44
Experience adjustment on plan liabilities [(Gain)/Loss]	(51.87)	22.61	71.26	68.23	(26.59)
Experience adjustment on plan assets [Gain/(Loss)]	(5.26)	0.93	5.17	6.01	4.28

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

The Company expects to contribute ₹ 330.56 (Previous Year ₹ 350.19 lacs) to the plan assets in the immediate next year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

41 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 : upto 30th July, 2013 18.58%, w.e.f. 31st July, 2013 12.95% (Previous Year 18.58%)

b The Company's share of interest in the assets, liabilities, income, expenses, contingent liabilities and capital and other commitments with respect to JCE as at and for the year ended March 31, 2014 based on unaudited financial statements of JCE:
The amounts are translated at the year end rate for assets and liabilities and average rate for income and expenses for DGCX.

PARTICULARS	₹ lacs
I. Assets	
1. Fixed Assets	1,057.02
	(44.03)
2. Current Assets	
a) Trade receivables	99.12
	(11.52)
b) Cash and cash equivalents	7,745.21
	(8,115.13)
c) Short term loans and advances	29.52
	(101.94)
d) Other Current Assets	38.90
	(82.84)
Assets	**8,969.77**
	(8,355.46)
II. Liabilities	
1. Trade payables	202.59
	(878.07)
2. Other Current Liabilities	7,336.08
	(7,684.65)
3. Provisions	214.23
	(242.22)
Liabilities	**7,752.90**
	(8,804.94)
III. Income	
1. Admission Fees	72.83
	(39.75)
2. Transaction Fees	717.04
	(758.92)
3. Interest Income	108.67
	(149.68)
4. Other Income	28.53
	(22.25)
Income	**927.08**
	(970.60)
IV. Expenses	
1. Employee benefits expense	540.68
	(447.76)
2. Other expenses	691.02
	(555.08)
3. Depreciation and amortisation expenses	128.91
	(39.38)
Expenses	**1,360.61**
	(1,042.22)
V. Contingent liabilities	-
	(-)
VI. Capital and other commitments	-
	(-)

Previous year figures are given in brackets.

42 AMOUNTS REMITTED IN FOREIGN CURRENCY DURING THE YEAR ON ACCOUNT OF DIVIDEND:

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

Year to which the dividend relates	Number of non resident shareholders	Number of Shares held by non resident shareholders on which dividend is due	Amount of dividend paid to Non Resident shareholders (Amount in ₹ lacs)
Dividends paid during 2013-14			
2013-14 (1st Interim Dividend)	887	9,513,366	190.27
2013-14 (2nd Interim Dividend)	870	8,948,625	178.97
2013-14 (3rd Interim Dividend)	802	9,306,760	186.14
2012-13 (Final Dividend)	916	8,898,984	177.98
Dividends paid during 2012-13			
2012-13 (1st Interim Dividend)	673	9,365,494	187.31
2012-13 (2nd Interim Dividend)	776	11,086,438	221.73
2012-13 (3rd Interim Dividend)	812	11,413,748	228.27
2011-12 (Final Dividend)	663	10,665,168	213.30

43 With effect from 1st January, 2014, the Company has revised the estimated useful life of certain fixed assets as stated in Note 2(F). As a result, the depreciation expense and loss before tax for the year, are both higher by ₹ 556.07 lacs.

44 During the year, the Company has received an order dated 17th December, 2013 passed by the Forward Markets Commission (FMC) holding the Company not a fit and proper person to continue to be a shareholder of 2% or more of the paid up equity capital of Multi-Commodity Exchange of India Ltd. (MCX). The Company holds 26% in MCX. The FMC Order has been challenged by way of a Writ Petition before the Hon'ble Bombay High Court. On 28th February, 2014, Hon'ble High Court was pleased to admit the said Writ Petition and kept for hearing expeditiously. FMC Order has not attained finality.

Without prejudice to legal rights available within the law, the Company has initiated process of divestment of shares of MCX. The Company is endeavor to complete the same as quickly as possible subject to approval of regulatory authority.

Further, FMC has issued revised norms regarding Shareholding, Ownership, Net worth, Fit and Proper Criteria, etc. on 6th May, 2014 and has, inter alia, provided that no person shall, directly or indirectly, acquire or hold equity shares of a commodity exchange unless he is fit and proper person and in the event of any person ceasing to be a 'fit and proper person' or being declared so by the Commission, such person shall forthwith divest his shareholding. Further, pending divestment of shares, the voting rights of such person shall stand extinguished and any corporate benefit in lieu of such holding shall be kept in abeyance/withheld by Exchange. Accordingly, MCX proposed by way of postal ballot, to alter the Articles of Association to include the new articles 26A, 26B, & 26C on FMC Guidelines/Directions/Norms etc. to be binding on MCX, Restrictions on shareholding and Divestment of shareholding respectively by way of special resolution.

In view of the aforesaid process of divestment and with effect from 26th December, 2013 the Company neither having significant influence over MCX nor any Board representative in MCX, the entire investment of the Company in MCX has been reclassified as current investment in other company from long term (non-current) investment in an associate company. The above said action by MCX is without prejudice to the Company's legal rights and remedies available under the law.

45 The Company holds 27,165,000 Equity Shares of ₹ 1/- each and 562,460,000 Warrants of ₹ 1/- each in MCX Stock Exchange Limited (MCX-SX).

During the year, the Company has received show cause notice from the SEBI dated 20th December, 2013 solely based on FMC Order under Securities Contracts (Regulation) Act, 1956, SEBI Act, 1992 and Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012, advising the Company to show cause as to why directions should not be issued for divestment of shares and transferable warrants held by the Company and any company/entity controlled by the Company, either directly or indirectly, in MCX-SX, MCX-SX Clearing Corporation Limited (MCX-SX CCL), Delhi Stock Exchange Ltd (DSE), the Vadodara Stock Exchange Limited (VSE) and National Stock Exchange of India Limited (NSEIL). The Company vide its letter dated 21st December, 2013 replied to SEBI stating that FMC Order is subject matter of challenge before the Hon'ble Bombay High Court; therefore, the Company requested SEBI not to take any precipitate action until the writ petition filed by the Company is dealt with by the Hon'ble High Court. SEBI has passed an Order on 19th March, 2014 declaring the Company not a 'Fit and Proper' person and directed the Company to divest the equity shares or any instrument that provides for rights over the equity shares held by the Company in MCX-SX, MCX-SX CCL, DSE, VSE and NSEIL within 90 days from the date of order. The Company has filed an appeal in the Security Appellate Tribunal against the said order. Pending proceedings, investment in the aforesaid entities are reclassified as current investment at the lower of cost and fair value from long term investments. MCX-SX CCL is not considered as an associate company from the date of order i.e. 19th March, 2014. According to the Management's view, on the basis of the information available including latest financial statements/ results and/or latest transactions carried out, the fair value of above investments exceeds the cost of the investments. In case of investment in one company where the book value is less than the investment amount, the Company has made appropriate provision for the same.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

46 As per the Regulatory requirement under Central Electricity Regulatory Commission (Power Market) (CERC) Regulations 2010, the Company had to reduce its holding in an associate company viz. Indian Energy Exchange Limited (IEX) to 25%, accordingly, the Company has divested part of its investments aggregating 1,364,787 equity shares of ₹ 10 each in IEX at a price of ₹ 534.12 per equity share. The resulting profit of ₹ 6,989.14 lacs (net of directly attributable expenses of ₹ 164.05 lacs) is grouped under 'Net gain on sale of Investments' in Other Income (Refer Note 22).

The Company received communication from IEX vide its letter dated 19th May, 2014 informing that CERC vide their order dated 13th May, 2014 stated that the Company cannot be considered as fit and proper person to hold the shares in power exchanges and inter alia directed IEX a) to ensure that the Company divests its entire shareholding from IEX by 30th September, 2014, b) pending divestment of shares, the voting rights of the Company shall stand extinguished and any corporate benefit in lieu of such shareholding shall be kept in abeyance or withheld by the exchange and c) IEX shall ensure that no nominee of the Company is represented in the Board of IEX. The above directions of CERC are binding with immediate effect. The Company is contemplating challenging the order in line with FMC & SEBI Order. In view of the above, the investments in IEX have been reclassified as current investments from long term (non-current) investments.

47 The Company received letter from Financial Services Commission (FSC) in May, 2014 informing that FSC does not consider the Company as fit & proper, pursuant to Section 23(3) of the Financial Services Act, 2007 of Mauritius and directed the Company to dispose of its shareholding in Bourse Africa Limited, Mauritius on or before 31st August, 2014.

48 During the year, Financial Technologies Singapore Pte. Ltd (FTSPL), a wholly-owned subsidiary of the Company, sold 100% of FTSPL's equity ownership in its wholly owned subsidiaries, Singapore Mercantile Exchange Pte. Ltd. (SMX) and Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. (SMXCC), which had accumulated losses of USD 77.40 million as on 31st January, 2014 (₹ 48,357.04 lacs), to ICE Singapore Holdings Pte. Ltd, an entity owned by Intercontinental Exchange Group, Inc. (ICE) for an amount of USD 150 million.

49 During the year, the Company along with other shareholders entered into a share purchase agreement for sale of 100% equity shares of National Bulk Handling Corporation Limited (NBHC) to IVF Trustee Company Limited, for consideration of ₹ 24,174.00 lacs, subject to certain conditions. The sale transaction was completed in April, 2014. Accordingly, the investments in NBHC have been reclassified as current investments from long-term (non-current) investments.

50 As at 31st March, 2014, the Company's investment in certain subsidiaries and a jointly controlled entity aggregating ₹ 12,590.95 lacs (Previous Year ₹ 12,215.95 lacs) and loans and advances / recoverables from these entities aggregating ₹ 90,758.89 lacs (Previous Year ₹ 38,732.65 lacs) (excluding NSEL and its subsidiaries, and FTSPL and its subsidiaries) which presently have accumulated losses, [share of aggregate losses till 31st March, 2014 ₹ 112,881.99 lacs (Previous year ₹ 59,610.67 lacs)].

In view of the NSEL event, FMC declared the Company not a fit and proper person to hold shares in MCX, consequently, various other regulatory authorities also given direction to dispose of the Company's stake in the respective exchanges. Further the license of the exchange venture situated in Botswana, which had not yet commenced its operation, got cancelled. Considering these events and current scenario (though Company ideally would like to retain the investment to fetch its right price and not to sell in distress), the Company on a conservative basis has made an additional provision of ₹ 6,944.45 lacs (Previous Year Nil) towards provision for other than temporary diminution in the value of investments including provision (write down) in value of investments of ₹ 15.00 lacs (Previous Year Nil) in respect of investments reclassified during the year from long-term (non-current) to current investments, and ₹ 15,150.00 lacs (Previous Year Nil) towards doubtful loans and advances. Accordingly, total provision of ₹ 8,681.71 lacs (Previous Year ₹ 1,737.26 lacs) for other than temporary diminution in the value of investments and provision of ₹ 15,150.00 lacs (Previous Year Nil) for doubtful loans and advances as at the year ended on 31st March, 2014 is considered to be adequate for these investments and loans and advances / receivables.

51 In view of the developments in respect of its subsidiary NSEL, during the year ended 31st March, 2014, on conservative basis, the Company has made a provision towards diminution other than temporary in value of long term investments of ₹ 4,499.99 lacs for its investment in NSEL.

52 During the previous year ended 31st March, 2013, the Company had earned Income of ₹ 3,452.00 lacs from NSEL, which constituted 5.25% of the standalone total income of the Company. This included aggregate amount of ₹ 2,927.60 lacs being variable component.

The above variable component comprises:

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

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

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

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

As of date, there have been no claims by NSEL nor has any dispute been raised in connection with the amounts paid to the Company for the Services provided by the Company during the financial year 2012-13. In view of the above, no provision was considered necessary by the Company as on 31st March, 2013 and as on 31st March, 2014 for the above said Income from NSEL.

53 During the year, the Company had raised invoices aggregating ₹ 1,542.53 lacs for various services including software maintenance and support services for the Company's flagship products, DOME, CnS, ODIN charges ("Services"), business support services and rent income, out of which ₹ 1,176.76 lacs is the variable fees derived from certain components (transaction fees, delivery charges, warehouse receipt transfer charges for trading, settlement and delivery activities) of revenue / gross profits of NSEL.

Further, during the year, the Company had accounted interest income of ₹ 1,114.69 lacs.

In view of the developments at NSEL, the Company is unable to assess the ultimate collection with reasonable certainty, and on a prudent basis, the Company, to the extent of uncertainty involved, derecognised the revenue on above said services of ₹ 1,542.53 lacs and interest income of ₹ 1,003.22 lacs (net of tax deducted at source).

The amount receivable from NSEL towards reimbursement of expenses of ₹ 109.97 lacs and taxes on above said services of ₹ 21.71 lacs as on 31st March, 2014, aggregating ₹ 131.68 lacs for which, on conservative basis, the Company has made full provision of ₹ 131.68 lacs during the year ended 31st March, 2014. Similarly, the Company has derecognised rent income of ₹ 23.03 lacs receivable from subsidiary of NSEL and made provision of ₹ 3.79 lacs for doubtful loans and advances receivable from the said subsidiary of NSEL.

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

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

Further, during the year, an additional loan of ₹ 350.00 Lacs was also been provided to NSEL for its working capital.

Recovery of the aforesaid loans of ₹ 21,433.06 lacs as on 31st March, 2014 is dependent on the recovery by NSEL from its defaulting members and NAFED. On conservative basis, the Company has made full provision for loans and advances of ₹ 21,433.06 lacs during the year ended on 31st March, 2014.

55 a) During the year, Writ Petitions (WP), Public Interest Litigation (PIL), Civil Suits have been filed against the Company in relation to NSEL event, wherein the Company has been made a party in the Civil Suits and the WP. In the said proceedings certain reliefs have been claimed against the Company, inter alia, on the ground that the Company is the holding company of NSEL. These matters are pending before the Hon'ble Bombay High Court for adjudication. The next hearing is on 12th June, 2014 and for WP hearing is on 27th June, 2014. The Company has denied all the claims and contentions in its reply. There is no privity of contract between the Company and the Petitioners. Based on legal advice, the management is of the view that the parties who have filed the WP, PIL and Civil Suits would not be able to sustain any claim against the Company.

b) First Information Report (FIR) has been registered against various parties, including the Company, with the Economic Offences Wing of the Mumbai Police (EOW) in connection with the NSEL event. After investigation, EOW has filed charge-sheet on 06th January, 2014, and it is pertinent to note that the Company has not been named in the said charge-sheet.

56 During the year, the Company received letter from the Registrar of Companies, Chennai (ROC), Ministry of Corporate Affairs ("MCA") regarding a notice for inspection under section 209A of the Companies Act, 1956 ("Companies Act") and technical scrutiny of the Company's balance sheet FY12-13 and explanation sought under section 234(1) of Companies Act. The inspection conducted by Dy. ROC and Company submitted requested information to MCA. After inspection, RoC issued show cause notices to the Company stating that the Company contravened certain compliance stipulated under the Indian Companies Act, 1956. The Company has replied to the said show cause notices from RoC.

57 A preliminary enquiry has been registered in Central Bureau of Investigation (CBI), Economic Offences Wing, Mumbai in respect of the allegations relating to granting of permission for MCX-SX and providing renewal of recognition as stock exchange resulting in pecuniary gain to MCX-SX. The Company has provided all the necessary information.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

58 The Company has received letter from Directorate of Enforcement under Foreign Exchange Management Act, 1999 requesting the Company to furnish certain information in connection with certain investigations and the same is furnished.

59 MCX on 29th April, 2014 uploaded on BSE website Executive Summary with the modification on selective basis ('Executive Summary') of Special Audit Report carried out by PricewaterhouseCoopers Private Limited (PwC) with a disclaimer. The Company replied to Executive Summary in detail on 5th May, 2014 and the same was uploaded on BSE website. Subsequently, on 26th May, 2014, MCX disseminated on BSE website Special Audit Report without annexures, exhibits of the said report with a disclaimer that document is yet to be independently verified by MCX, MCX neither agrees nor disagrees with the contents thereof and does not have any opinion on the same, it further recommends that no person should consider and/or rely on the contents of the document at this stage for undertaking any trade (buy or sell) in the securities of MCX, it further states that it does not in any manner warrant, certify or endorse the correctness, accuracy, adequacy or completeness of the contents of the document (report) and it should not for any reason be deemed or construed to mean that the observations (of the report) have been verified / confirmed by MCX. The Company reiterated that views of the Company were not taken into account before finalising the report despite several written requests to MCX.

It may also be noted that the Special Audit Report contains several disclaimers including a statement that the procedures performed under the Special Audit did not constitute an audit or examination or a review in accordance with generally accepted auditing standards or attestation standards.

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

For and on behalf of the Board

Venkat R Chary
Chairman

Dewang Neralla
Whole-time Director

Hariraj Chouhan
Vice President & Company Secretary

Devendra Agrawal
Chief Financial Officer

Place: Mumbai
Date: 30 May, 2014

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

(₹ lacs)

Sr. No.	Particulars	Reporting Currency	Exchange Rate as at March 31, 2014	Proportion of ownership interest as at March 31,2014	Capital	Reserves	Total Assets (including investment in subsidiaries)	Total Liabilities	Details of investment (except in case of investment in subsidiaries)	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed dividend
1	IBS Forex Limited	INR		86.29%	700.00	(147.10)	557.44	4.54	495.65	-	(20.20)	-	(20.20)	-
2	Riskraft Consulting Limited	INR		100.00%	700.00	(636.86)	63.14	-	51.48	14.83	(6.63)	1.47	(8.10)	-
3	atom technologies limited	INR		94.32%	1,802.22	(1,667.22)	1,736.55	1,601.55	283.49	1,770.89	(714.52)	-	(714.52)	-
4	National Bulk Handling Corporation Limited**	INR		92.68%	8,000.00	(243.78)	21,304.47	13,548.25	4.46	16,469.61	(4,399.41)	60.52	(4,459.93)	-
5	Global Payment Networks Limited	INR		100.00%	100.00	21.11	121.11	-	116.41	-	6.31	-	6.31	-
6	Financial Technologies Communications Limited	INR		100.00%	5.00	381.18	489.11	102.92	266.49	556.81	185.53	54.62	130.91	-
7	FT Knowledge Management Company Limited	INR		100.00%	375.00	(188.75)	274.02	87.77	63.53	335.15	(199.62)	7.22	(206.84)	-
8	Tickerplant Limited	INR		97.59%	414.25	(1,590.19)	1,356.88	2,532.83	172.78	2,333.27	(558.06)	-	(558.06)	-
9	Boursa India Limited	INR		100.00%	5.00	(1.71)	3.29	-	-	-	(0.19)	-	(0.19)	-
10	Takshashila Academia of Economic Research Limited	INR		100.00%	5.00	(146.14)	1.26	142.40	-	-	(17.46)	1.69	(19.15)	-
11	Apian Finance & Investment Limited	INR		100.00%	431.44	396.01	2,816.61	1,989.15	854.38	222.96	143.10	32.00	111.10	-
12	Trans-Global Credit and Finance Limited	INR		100.00%	5.00	(5.88)	0.63	1.51	-	-	(0.29)	-	(0.29)	-
13	Credit Market Services Limited	INR		99.99%	525.00	(528.54)	16.13	19.67	-	-	(2.03)	-	(2.03)	-
14	FT Projects Limited	INR		100.00%	5.00	(5.37)	3,000.42	3,000.78	-	-	(0.79)	-	(0.79)	-
15	Knowledge Assets Private Limited, Mauritius	USD	60.0998	100.00%	6.01	(35.84)	9.04	38.87	-	-	(6.03)	-	(6.03)	-
16	ICX Platform (Pty) Limited, South Africa	ZAR	5.64639	100.00%	0.01	(169.43)	52.11	221.54	39.62	18.93	(44.11)	-	(44.11)	-
17	Financial Technologies Singapore Pte.Ltd., Singapore	USD	60.0998	100.00%	49,488.24	21,505.84	70,994.08	-	-	-	21,948.95	-	21,948.95	-
18	Financial Technologies Projects Private Limited, Mauritius#^	MUR	2.0779	100.00%	0.10	(0.03)	1.11	1.04	-	-	-	-	-	-
19	FT Group Investments Pvt. Ltd., Mauritius	USD	60.0998	100.00%	9,051.03	(41,411.25)	97,871.81	130,232.03	5,042.12	1,597.34	(31,437.23)	-	(31,437.23)	-
20	Financial Technologies Middle East DMCC, U.A.E	AED	16.3026	100% $	10,759.72	(4,766.02)	7,343.31	1,349.61	6,874.91	356.80	(490.87)	-	(490.87)	-
21	Capricorn Fin-Tech, Pvt. Ltd., Bangladesh	AED	16.3026	99.99% $	0.98	(0.98)	-	-	-	-	2.78	-	2.78	-
22	Bourse Africa Limited, (formerly known as Global Board of Trade Limited), Mauritius	USD	60.0998	100% $	31,251.90	(28,013.47)	15,795.61	12,557.18	-	76.57	(9,410.15)	858.18	(8,551.97)	-
23	Bourse Africa Clear Ltd.(formerly known as GBOT Clear Ltd), Mauritius	USD	60.0998	100% $	306.70	(15.52)	1,590.28	1,299.10	-	-	(15.52)	-	(15.52)	-
24	Bahrain Financial Exchange BSC (c)*, Kingdom of Bahrain	BHD	163.092	100% $	30,661.30	(35,177.97)	9,812.79	14,329.47	-	41.35	(9,909.42)	-	(9,909.42)	-
25	Bourse Africa(Botswana) Limited, Botswana	USD	60.0998	100% $	16,539.46	(19,676.91)	216.14	3,353.58	-	240.40	(19,278.19)	-	(19,278.19)	-
26	Bourse Africa (Kenya) Limited, Kenya #^	USD	60.0998	100% $	0.75	-	0.75	-	-	-	-	-	-	-
27	Bourse Tanzania Limited, Tanzania #^	USD	60.0998	100% $	0.04	-	0.04	-	-	-	-	-	-	-
28	Bourse Zambia Limited, Zambia #^	USD	60.0998	100% $	0.60	-	0.60	-	-	-	-	-	-	-
29	Bourse Exchange Nigeria Limited, Nigeria #	USD	60.0998	100% $	39.67	-	39.67	-	-	-	-	-	-	-
30	Bourse Uganda Limited, Uganda #^	USD	60.0998	100% $	3.00	-	3.00	-	-	-	-	-	-	-
31	Bourse South Africa Limited, South Africa #^	USD	60.0998	100% $	0.03	-	0.03	-	-	-	-	-	-	-

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

\# Figures are based on unaudited financial statements.

** Sold 100% equity shares in April, 2014

^ Companies are under liquidation

$ Owned through subsidiary company

Note: 1. Indian rupee equivalents of the figures in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on March 31, 2014.

2. The statement does not contain the figures of National Spot Exchange Ltd.(NSEL) and its subsidiaries namely Indian Bullion Market Association Ltd., Westernghats Agro Growers Company Ltd. and Farmer Agricultural Integrated Development Alliance Ltd. as financial statements for the year ended March 31, 2013 of NSEL and IBMA and financial statements for the year ended March 31, 2014 of NSEL & all of its subsidiaries are yet to be finalized and audited.

DIRECTORS' REPORT

To

The Members,

Your Directors present the Thirteenth Annual Report of the Company with the Audited Statement of Accounts for the year ended March 31, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. FINANCIAL RESULTS AND OPERATIONS:

The summary of financial results is as under:

(in INR)

PARTICULARS	FY 2013-14	FY 2012-13
Total Income	10,90,138	51,33,071
Total Expenditure	31,10,495	42,43,206
Profit/Loss before tax and depreciation	(20,20,357)	8,89,865
Provision for Tax (including FBT)	-	-
Profit/(Loss) for the year	(20,20,357)	8,89,865
Balance brought forward	(1,26,89,463)	(1,35,79,328)
Balance carried to Balance Sheet	(1,47,09,820)	(1,26,89,463)

2. DIVIDEND:

During the year your Company has incurred losses, hence your Directors do not recommend any dividend for the year under review.

3. TRANSFER TO RESERVES:

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

4. FIXED DEPOSITS:

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

5. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

6. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Devendra Agrawal - Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Devendra Agrawal in the ensuing Annual General Meeting.

During the year, Mr. Nimish Talsania and Mr. Padmanabharao Ganeshrao were appointed as Additional Directors of your Company. In accordance with Section 161 of the Companies Act, 2013, Mr. Nimish Talsania and Mr. Padmanabharao Ganeshrao will hold office up to the forthcoming Annual General Meeting and their appointment is subject to the approval of members in the general meeting.

Your Directors recommend the appointment of Mr. Nimish Talsania and Mr. Padmanabharao Ganeshrao on the Board of the Company.

Futher during the year, Mr. Nihalchand Chauhan, Mr. Shreekant Javalgekar, Mr. Dewang Neralla and Mr. Hariraj Chouhan ceased to be the Directors of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. Nihalchand Chauhan, Mr. Shreekant Javalgekar, Mr. Dewang Neralla and Mr. Hariraj Chouhan during their association with the Company.

7. AUDITORS:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 read with the Companies (Audit and Auditors) Rules 2014 of the Companies Act, 2013.

DIRECTORS' REPORT

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

8. AUDITORS REPORT:

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

9. PARTICULARS OF EMPLOYEES:

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

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

The Company is committed for adoption of various energy savings methods for Conservation of energy. The Company endeavors to adopt modern technology to carry on its operations. The Company also endeavors to carry out In-House R & D activities.

During the period under review there was no Foreign Exchange earnings and outgo.

Your Company has not exported any product during the year under review and does not foresee any future export activity, in case the opportunity arises the Board shall take the necessary steps in this regard.

11. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2013-14 and of the loss of the Company for that period;

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

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

12. ACKNOWLEDGEMENTS:

Your Directors wish to thank FEDAI, Reserve Bank of India, commercial banks as well as the shareholders of the company for their co-operation and support. The Directors also place on record their appreciation of the services rendered by all the employees and their contribution towards the Company.

For and on behalf of the Board of Directors

Place: Mumbai	**P. Ganeshrao**	**Nimish Talsania**
Date: 06.08.2014	Director	Director

INDEPENDENT AUDITOR'S REPORT

To the Members of **IBS Forex Limited**

We have audited the accompanying financial statements of IBS Forex Limited, which comprise the Balance sheet as at March 31st 2014, and the statement of Profit and Loss and cash flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the statement of profit and loss, of the loss for the year ended on that dale and

(c) In the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

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

As required by section 227(3) of the act, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 29-05-2014

INDEPENDENT AUDITOR'S REPORT

i) In respect of its fixed assets:

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

(b) As explained to us, all the fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable, having regards to the size of the company and nature of its assets. As Informed to us no material discrepancies were noticed on such physical verification.

(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

ii) The company is not having inventories accordingly clause (ii) of the order is not applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to / from companies firm or other parties covered in the register, maintained u/s. 301 of The Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has not taken unsecured loan from parties covered in the register maintained u/s 301 of the company Act 1956. Consequently, the requirements of clauses (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintain in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/ arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lac in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) According to the information and explanations given to us the company has adequate inhouse Internal Audit system commensurate with the size and the nature of its business.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March. 2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company's accumulated losses at the end of the financial year are not more than 50% of net worth of Company. The Company has incurred cash losses during the year covered by our audit and not in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

xiv) In Our opinion and according to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other investment. The Company has invested surplus fund in mutual funds. According to the information and explanation given to us proper records have been maintained of the transaction and timely entries have been made therein. TIle Mutual funds have been held by the company in its own name

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken term loan during the year, accordingly clause (xvi) of the order is not applicable.

INDEPENDENT AUDITOR'S REPORT

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 29-05-2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

	Note No.	31st March 2014	31st March 2013
EQUITIES AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	70,000,000	70,000,000
(b) Reserve and surplus	3	(14,709,820)	(12,689,463)
		55,290,180	**57,310,537**
2 Current liabilities			
(a) Trade payables	4	312,598	109,146
(b) Other current liabilities	5	23,389	37,853
(c) Short-term provisions	6	117,629	112,800
		453,616	**259,799**
		55,743,796	**57,570,336**
Assets			
1 Non current assets			
(a) Tangible Fixed assets	7	13,180	9,983
(b) Long-term loans and advances	8	232,291	186,339
(c) Other non-current assets	9	5,189,982	3,053,788
		5,435,453	**3,250,110**
2 Current assets			
(a) Current investments	10	49,564,867	53,682,983
(b) Cash and bank balances	11	368,360	268,065
(c) Short-term loans and advances	12	375,115	369,178
		50,308,343	**54,320,226**
		55,743,796	**57,570,336**
Summary of significant accounting policies	1		

The accompanying notes 17 to 26 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date: 29-05-2014

For and on behalf of the Board

Nimish P Talsania
Director

P. Ganeshrao
Director

Place: Mumbai
Date: 29-05-2014

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

PARTICULARS	Note no.	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
Continuing operation			
(I) Revenue			
Other income	13	1,090,138	5,133,071
Total revenue (I)		**1,090,138**	**5,133,071**
(II) Expenses			
Employee benefit expenses	14	2,185,687	2,213,319
Other expenses	15	920,018	2,013,915
Total expenses (II)		**3,105,705**	**4,227,234**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		(2,015,567)	905,837
Depreciation and amortization	16	4,790	15,972
(IV) Profit before tax		**(2,020,357)**	**889,865**
Tax expense			
- Current tax		-	-
- Short provision of tax for earlier years		-	-
(V) Total tax expensed from continuing operation		-	-
(VI) Profit / (Loss) for the year		**(2,020,357)**	**889,865**
(VII) Earnings per share	17		
Basic		(0.29)	0.13
Diluted		(0.29)	0.13
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes 17 to 26 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date: 29.05.2014

For and on behalf of the Board

Nimish P Talsania
Director

P. Ganeshrao
Director

Place: Mumbai
Date: 29.05.2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

Particulars	31st March 2014		31st March 2013	
A. Cash flow from operating activities				
Net profit before tax		**(2,020,357)**		**889,865**
Adjustments for:				
Depreciation	4,790		15,972	
Provision for diminition in value of current investments	-		10,114	
Interest income	(206,924)		(214,490)	
Profit on sale of fixed assets/ written off	-		(1,798)	
Net gain on sale of current investments	(17)		(4,020,606)	
Dividend from investments	(881,870)		(894,177)	
		(1,084,021)		(5,104,985)
Operating loss before working capital changes		**(3,104,378)**		**(4,215,120)**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Short-term loans and advances	(5,937)		(17,360)	
Long-term loans and advances	(24,842)		851,298	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	203,451		73,557	
Other current liabilities	(14,464)		24,701	
Other long-term liabilities	0		0	
Short-term provisions	4,829		92,467	
Long-term provisions	-		-	
		163,037		1,024,662
Cash from/ (used in) operations		**(2,941,342)**		**(3,190,458)**
Less: Taxes paid		(21,110)		(15,241)
Net cash from / (used in) operating activities		**(2,962,452)**		**(3,205,698)**
B. Cash flow from investing activities				
Sale of fixed assets		-		17,880
Purchase of fixed assets		(7,987)		-
Purchase of investments		(54,457,867)		(64,765,957)
Proceeds from sale of investments		58,576,000		66,576,580
Proceeds of deposits matured		-		2,500,000
Investment in other non current investments		(1,988,466)		(3,015,702)
Dividend from investments		881,870		894,177
Interest income		59,196		537,150
Net cash (used in) / from investing activities		**3,062,747**		**2,744,129**
C. Cash flow from financing activities		**-**		**-**
Net cash from financing activities		**-**		**-**
Net cash flows during the year		**100,295**		**(461,569)**
Net decrease in cash and cash equivalents		**100,295**		**(461,569)**
Cash and cash equivalents (opening balance)		**268,065**		**729,634**
Cash and cash equivalents (closing balance)		**368,360**		**268,065**

CASH FLOW STATEMENT for the year ended 31st March, 2014 (cont.)

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (Refer note 11) with cash and cash equivalents is as follows:

(in ₹)

	31st March 2014	31st March 2013
Cash and cheques on hand	-	-
Bank Balances:		
-in current account	368,360	268,065
	368,360	268,065
- In Deposit Accounts (maturing more than 3 months and less than 12 months)	-	-
Cash and cash equivalents	**368,360**	**268,065**

2. Purchase of fixed Assets as stated during the year are considered as part of investing activities.
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
4. Fixed deposits with a bank with maturity period of more than three months are classified and grouped in investing activities and not included in cash and cash equivalents.
5. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI.

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date: 29-05-2014

For and on behalf of the Board

Nimish P Talsania
Director

P. Ganeshrao
Director

Place: Mumbai
Date: 29-05-2014

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Upto 31st December 2013, depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Act whichever is higher.

Depreciation in respect of assets costing less than ₹ 5,000 each is fully depreciated in the year of capitalisation

Effective 1st January, 2014, the Management has revised the estimated useful life of the following categories of assets as under.

Asset	Revised useful life
(a) Motor Vehicle	8 Years
(b) Office Equipment (Including Electrical Installations & Equipment)	2 to 10 Years
(c) Computer Hardware	3 to 6 Years
(d) Patent and Trademarks	8 years
(e) Technical know-how and computer software	6 years

Depreciation on assets sold, discarded or demolished during the year is being provided at their rate up to the date in which such assets are sold, discarded or demolished.

1.5 Revenue recognition

Revenue is recognized when no significant uncertainty as to determination or realization exists.

Transaction fees are charged to users based on the volume of transactions entered into by the users and are accrued when orders placed by users are matched and confirmed.

1.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.7 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.8 Intangible assets

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

1.9 Investments

Investments are classified as current investments and are carried at the lower of cost and market value. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

NOTES to financial statements for the year ended 31st March, 2014

1.10 Employee benefits

Short-term employee benefits

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

1.11 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.12 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.13 Impairment of assets

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

1.14 Provisions and contingencies

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

(in ₹)

		31st March 2014		31st March 2013	
2	**SHARE CAPITAL**	**Nos.**	**₹**	**Nos.**	**₹**
	Authorised:				
	Equity shares of ₹ 10/- each	7,000,000	70,000,000	7,000,000	70,000,000
		7,000,000	**70,000,000**	**7,000,000**	**70,000,000**
	Issued, subscribed & paid up:				
	Equity shares of ₹ 10/- each fully paid-up	7,000,000	70,000,000	7,000,000	70,000,000
		7,000,000	**70,000,000**	**7,000,000**	**70,000,000**
	a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.				
	At the beginning of the year	7,000,000	70,000,000	7,000,000	70,000,000
	Issued during the year	-	-	-	-
	Outstanding at the end of the year	**7,000,000**	**70,000,000**	**7,000,000**	**70,000,000**
	The company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding				
	b) Shares held by holding company				
	Financial Technologies (India) Ltd.	6,040,000	60,400,000	6,040,000	60,400,000

NOTES to financial statements for the year ended 31st March, 2014

	31st March 2014		31st March 2013	
	Nos.	**% holding**	**Nos.**	**% holding**
c) Details of the shareholders holding more than 5% of the shares in the company				
Financial Technologies (India) Ltd.	**6,040,000**	**86.29**	**6,040,000**	**86.29**

(in ₹)

		31st March 2014	31st March 2013
3	**RESERVES AND SURPLUS**	**31st March 2014**	**31st March 2013**
	Surplus /(deficit) in the statement of profit and loss		
	Balance as per last financial statements	(12,689,463)	(13,579,328)
	Add: Profit /(Loss) for the year	(2,020,357)	889,865
	Net deficit in the statement of profit and loss	**(14,709,820)**	**(12,689,463)**
4	**TRADE PAYABLES**		
	Trade payables	312,598	109,146
	(refer note 22 for details of dues to micro and small enterprises)		
		312,598	**109,146**
5	**OTHER CURRENT LIABILITIES**		
	Statutory payable		
	TDS payable	22,489	37,253
	Statutory-other (PT)	900	600
		23,389	**37,853**
6	**SHORT-TERM PROVISIONS**		
	Provision for leave encashment	117,629	112,800
		117,629	**112,800**

NOTES to financial statements for the year ended 31st March, 2014

7 FIXED ASSETS

(in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.2013	Additions	Deletion / Adjustments	Cost as at 31.03.2014	Upto 31.03.2013	For the year	Deletions / Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible assets										
Computer hardware	126,398	7,987	-	134,385	116,414	4,790	-	121,204	13,180	9,982
	126,398	**7,987**	**-**	**134,385**	**116,414**	**4,790**	**-**	**121,204**	**13,180**	**9,982**
Previous Year	**3,276,722**	**-**	**3,150,324**	**126,398**	**3,234,684**	**15,972**	**3,134,242**	**116,414**	**9,983**	

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
8	**LONG-TERM LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)**		
	Security deposits		
	Others	1,500	1,500
		1,500	**1,500**
	Advances recoverable in cash or kind		
	unsecured, considered good	-	-
		-	**-**
	Other loans and advances		
	Balances with statutory/Government Authorities-Deposits	209,681	184,839
	Tax deducted at source	21,110	-
		230,791	**184,839**
		232,291	**186,339**
9	**OTHER NON-CURRENT ASSETS**		
	Interest accrued on Fixed deposits	185,814	38,086
	Deposits with original maturities of more than 12 months	5,004,168	3,015,702
	(Pledged with FEDAI)		
		5,189,982	**3,053,788**
10	**CURRENT INVESTMENT**		
	Non-trade (valued at lower of cost and fair value)		
	Unquoted		
	-in mutual funds		
	5413.703 (Previous Year NIL) Units of ₹ 1017/75 Reliagre Invesco Credit Opportunities Fund Direct Plan Monthly dividend	5,526,479	-
	4026.357 (Previous Year NIL) Units of ₹ 1005/50 Canara Robeco Liquid Fund Dir DDR	4,048,502	-
	26,969.08 (Previous Year NIL) Units of ₹ 10/- Religare Invesco Short Term Fund Growth	40,000,000	
	NIL (Previous Year 2,696,908) Units of ₹ 10/- Religare Short Term Fund Growth	-	40,000,000
	NIL (Previous Year 6,888.6320) Units of ₹ 1000/- Canara Robeco Treasury advantage IP Daily Dividend Reinvestment	-	8,546,795
	NIL (Previous Year 504,017.26) Units of ₹ 10/- Religare Credit Opportunities Fund - Institutional Monthly Dividend	-	5,146,302
		49,574,981	**53,693,097**
	Less: Provision for diminution in value of current investments	**(10,114)**	**(10,114)**
		49,564,867	**53,682,983**
	Note:		
	1) Aggregate value of unquoted investments	**49,564,867**	**53,682,983**
11	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Cash on hand	-	-
	Bank balances:		
	With scheduled banks:		
	- in current account	368,360	268,065
		368,360	**268,065**
12	**SHORT-TERM LOANS AND ADVANCES (unsecured considered good)**		
	Advances recoverable in cash or kind or for value to be received		
	Unsecured, Considered good	13,317	12,800
		13,317	**12,800**
	Other loan and advances		
	Prepaid expenses	10,741	5,321
	Tax deducted at source	351,057	351,057
		361,798	**356,378**
		375,115	**369,178**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
13	**OTHER INCOME**	**31st March 2014**	**31st March 2013**
	Dividend from:		
	- Current investments	881,870	894,177
	Interest income from:		
	- Bank deposit accounts	206,924	214,490
	Profit on sale of fixed assets (net)	-	1,798
	Gain on sale of current investments (net)	17	4,020,606
	Miscellaneous income	1,327	2,000
		1,090,138	**5,133,071**
14	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and bonus (net of recovery)	2,180,339	2,207,161
	Staff welfare expenses	5,348	6,158
		2,185,687	**2,213,319**
15	**OTHER EXPENSES**		
	Electricity charges	75,735	78,921
	Payment to auditor (refer details below)	25,000	42,010
	Rent	508,500	678,000
	Repairs and maintenance	28,598	47,191
	Travelling and conveyance	24,427	29,868
	Communication expenses	14,436	11,803
	Insurance expenses	-	1,251
	Legal and professional charges	16,686	-
	ROC fees expenses	2,041	4,082
	Office expenses	114,132	68,052
	Sundry Balances Written Off	-	6,208
	Provision for diminition in value of current investments	-	10,114
	Recruitment Charges	-	61,722
	Subscription & membership	5,000	5,000
	Networking Charges	-	841,974
	Miscellaneous expenses*	105,462	127,719
	*(includes printing and stationery, Security Charges,books and periodicals, bank charges etc.)		
		920,018	**2,013,915**
	Details of payment to auditor		
	As auditor :		
	Audit fee	25,000	25,000
	In other capacity		
	Taxation matters	-	16,500
	other services	-	510
		25,000	**42,010**
16	**DEPRECIATION AND AMORTIZATION EXPENSE**		
	Depreciation on tangible assets	4,790	15,972
	Amortization of intangible assets	-	-
		4,790	**15,972**

NOTES to financial statements for the year ended 31st March, 2014

17 EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

(in ₹)

	31st March 2014	31st March 2013
Total operations for the year		
Net profit after tax for calculation of basic EPS	(2,020,357)	889,865
Weighted average number of equity shares basic and diluted (nos.)	7,000,000	7,000,000
Basic and diluted earnings per share	(0.29)	0.13
Nominal value of equity share	10/-	10/-

18 RELATED PARTY DISCLOSERS

(A) Names of related parties and related party relationship :

(i) Company whose control exists (holding company) : Financial Technologies (India) Limited

(ii) Fellow subsidiaries : No transaction is carried out during the year with fellow subsidiaries

(iii) Key management personnel (KMP) : Mr. Padmanabharao Ganeshrao (Director w.e.f. 30.09.2013)

(B) Related parties transactions :

(in ₹)

	Holding company		Key management personnel	
NATURE OF TRANSACTIONS	**31st March 2014**	**31st March 2013**	**31st March 2014**	**31st March 2013**
Salary and allowances	-	-	1,200,000	1,200,000
Sale/purchase of goods, services and assets				
Rent and amenities charged by	508,500	678,000	-	-
Other reimbursement of expenses				
-Charged by them	256,851	214,531	-	-
Closing balance				
Debit	-	1,362		
Credit	(208,282)	-	-	-

Related party relationships are as identified by the company and relied upon by the auditor

19 SEGMENT INFORMATION

The company considers business segment (business of facilitating trading in foreign exchange and incidental activities thereto) as its primary segment considering the risks and rewards of the services offered, nature of services, management structure and system of financial reporting. In the opinion of the management, the company has only one reportable business segment, the results of which are disclosed in the financial statements.

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
20	**CAPITAL AND OTHER COMMITMENTS**	**31st March 2014**	**31st March 2013**
	a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	-	-
21	**CONTINGENT LIABILITIES**		
	Contingent liabilities not provided for	-	-
22	**DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006**		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
		-	**-**

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

23 The company has accumulated losses as at 31st March 2013. The company has plans to achieve higher trade volume which would improve the revenue, resulting into consequential increase in profitability and networth. Accordingly, the accounts have been prepared on going concern basis which is dependent upon future growth of business and profitability.

24 No provision for Income Tax is required to be made in view of the exempt nature of income and deductions available under the provisions of Income Tax Act, 1961

25 The Company is in process for appointment of Company Secretary as required by section 383 A of the Companies Act, 1956

26 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date: 29-05-2014

For and on behalf of the Board

Nimish P Talsania
Director

P. Ganeshrao
Director

Place: Mumbai
Date: 29-05-2014

DIRECTORS' REPORT

To,

The Members,

Your Directors present the Ninth Annual Report of your Company along with the Audited Statement of Accounts for the year ended March 31, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. FINANCIAL RESULTS AND OPERATIONS:

(In INR)

Particulars	FY 2013-14	FY 2012-13
Total Income	18,58,441	21,42,767
Total Expenditure	25,21,791	19,13,858
Profit/(Loss) before Tax	(6,63,350)	2,28,909
Excess provision for Tax for earlier year	1,47,082	-
Profit/(Loss) after Tax	(8,10,432)	2,28,909
Balance carried to Balance Sheet	(6,36,86,340)	(6,28,75,908)

2. DIVIDEND:

Since the Company has net losses, your Directors do not recommend any dividend for the year under review.

3. TRANSFER TO RESERVES:

Since the Company has net losses for the year under review, no amount is transferred to Statutory Reserves.

4. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. FIXED DEPOSITS:

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

6. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Hariraj Chouhan –Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Hariraj Chouhan in the ensuing Annual General Meeting.

During the year, Mr. R. Devarajan ceased to be the Director of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. R. Devarajan during his association with the Company.

The other Directors continue to be on the Board of your Company.

7. AUDITORS:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014.

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

DIRECTORS' REPORT

8. **AUDITORS' REPORT:**

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

9. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Your Company is committed for adoption of various energy saving methods for Conservation of energy and endeavors to adopt modern technology to carry on its operations. Your Company also endeavors to carry out In-House R & D activities.

Your Company has not exported any product during the year under review and does not foresee any future export activity, in case the opportunity arises the Board shall take the necessary steps in this regard.

There were no foreign exchange earnings and outgo during the year under review.

10. **PARTICULARS OF EMPLOYEES:**

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

11. **DIRECTORS RESPONSIBILITY STATEMENT:**

In terms of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

a. in preparation of Annual Accounts for the year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial year 2013-14 and of the loss made by the Company for that period;

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

d. the Annual Accounts of the Company have been prepared on a going concern basis.

It was informed that Financial Technologies (India) Limited, the holding Company, is intending to exit by divesting its stake in the Company.

12. **ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Place: Mumbai

Date: 06.08.2014

Devendra Agrawal — Director

Hariraj Chouhan — Director

AUDITOR'S REPORT

To the Members of

Riskraft Consulting Limited

We have audited the accompanying financial statements of Riskraft Consulting Limited, which comprise the Balance sheet as at March 31,2014, and the statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. . Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the statement of profit and loss, of the loss for the year ended on that date and

(c) In the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

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

As required by section 227(3) of the act, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

AUDITOR'S REPORT

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

Place: Mumbai
Dale : 27.05.2014

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424 W

Chaturvcdi V N
Partner
Membership No.106403

ANNEXURE TO THE AUDITOR'S REPORT

Riskraft Consulting Limited (Referred to in paragraph **"Report on other legal and Regulatory Requirements"**)

i) In respect of its fixed assets:

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

(b) As explained to us, all the fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable, having regards to the size of the company and nature of its assets. As Informed to us no material discrepancies were noticed on such physical verification.

(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

ii) The company is not having inventories accordingly clause (ii) of the order is not applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has not taken unsecured loan from parties covered in the register maintained u/s 301 of the company Act 1956. Consequently, the requirements of clauses (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lac in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) According to the information and explanations given to us the company has adequate in- house Internal Audit system commensurate with the size and the nature of its business.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company's accumulated losses at the end of the financial year are more than 50% of net worth of Company. The Company has incurred cash losses during the year covered by our audit and not in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

xiv) In our opinion and according to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other Investment. The Company has invested surplus fund in mutual funds. According to the information and explanation given to us proper records have been maintained of the transaction and timely entries have been made therein. The Mutual funds have been held by the company in its own name.

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

ANNEXURE TO THE AUDITOR'S REPORT

Riskraft Consulting Limited (Referred to in paragraph **"Report on other legal and Regulatory Requirements"**)

xvi) The Company has not taken term loan during the year , accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

Place: Mumbai
Dale : 27.05.2014

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424 W

Chaturvcdi V N
Partner
Membership No.106403

BALANCE SHEET as at 31st March, 2014

(In ₹)

	Note No.	As at 31.03.2014	As at 31.03.2013
Equities and liabilities			
1 Shareholders' funds			
(a) Share capital	2	70,000,000	70,000,000
(b) Reserve and surplus	3	(63,686,340)	(62,875,908)
		6,313,660	**7,124,092**
2 Current liabilities			
(a) Trade payables	4	-	1,571,330
(b) Other current liabilities	5	10	174,922
		10	1,746,252
		6,313,670	**8,870,344**
Assets			
1 Non-current assets			
(a) Fixed assets	6		
(i) Tangible assets		160,000	477,244
(ii) Intangible assets		-	269,073
(b) Long-term loans and advances	7	195,590	393,469
		355,590	**1,139,786**
2 Current assets			
(a) Current investments	8	5,148,173	6,473,763
(b) Trade receivables	9	303,372	-
(c) Cash and bank balances	10	138,053	892,157
(d) Short-term loans and advances	11	368,482	364,638
		5,958,080	**7,730,558**
		6,313,670	**8,870,344**
Summary of significant accounting policies	1		

The accompanying notes 18-24 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi V N
Partner
Membership No.: 106403

Place : Mumbai
Date: 27.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date: 27.05.2014

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

(In ₹)

	Note no.	Year Ended 31.03.2014	Year Ended 31.03.2013
CONTINUING OPERATION			
(I) Revenue			
Revenue from operations	12	1,483,415	1,650,000
Other income	13	375,026	492,767
Total revenue (I)		**1,858,441**	**2,142,767**
(II) Expenses			
Purchase of Services	14	1,617,146	1,441,800
Employee benefit expenses	15	216	216
Other expenses	16	520,728	311,406
Total expenses (II)		**2,138,090**	**1,753,422**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		**(279,649)**	**389,345**
Depreciation and amortization	17	383,701	160,436
(IV) Profit / (Loss) before tax		**(663,350)**	**228,909**
Tax expense			
- Current tax (MAT)		-	-
- Excess provision of tax for earlier year		147,082	-
(V) Total tax expensed from continuing operation		**147,082**	**-**
(VI) Profit/(loss) for the year		**(810,432)**	**228,909**
(VII) Earnings per share	19		
Basic		(0.12)	0.03
Diluted		(0.12)	0.03
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes 18-24 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi V N
Partner
Membership No.: 106403

Place : Mumbai
Date : 27.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date: 27.05.2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(In ₹)

		Year Ended 31.03.2014		Year Ended 31.03.2013	
A.	**Cash flow from operating activities**				
	Net profit/ (loss) before tax		**(663,350)**		**228,909**
	Adjustments for:				
	Depreciation/ amortisation	383,701		160,436	
	Dividend from investments	(364,192)		(351,375)	
	Interest income	(10,834)		(41,392)	
			8,675		(232,331)
	Operating loss before working capital changes		**(654,675)**		**(3,422)**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Trade receivables	(303,372)		-	
	Short-term loans and advances	11,481		1,650	
	Long-term loans and advances	197,879		6,287	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	(1,571,330)		1,511,768	
	Other current liabilities	(174,912)		168,294	
	Short-term provisions	-		-	
			(1,840,255)		1,687,999
	Cash from operations		**(2,494,930)**		**1,684,577**
	Less: Refund received (net of taxes paid)		(162,407)		162,262
	Net cash from operating activities		**(2,657,337)**		**1,846,839**
B.	**Cash flow from investing activities**				
	Purchase of fixed assets		-		-
	Proceeds from sale of fixed assets		202,616		-
	Purchase of investments		(6,723,449)		(13,358,850)
	Proceeds from sale of investments		8,049,039		11,607,475
	Dividend from investments		364,192		351,375
	Interest income		10,834		41,392
	Net cash used in investing activities		**1,903,232**		**(1,358,608)**
C.	**Cash flow from financing activities**		-		-
	Net cash from financing activities		-		-
	Net cash flow during the year		**(754,104)**		**488,231**
	Net increase/ (decrease) in cash and cash equivalents		**(754,104)**		**488,231**
	Cash and cash equivalents (opening balance)		**892,157**		**403,926**
	Cash and cash equivalents (closing balance)		**138,053**		**892,157**

CASH FLOW STATEMENT for the year ended 31st March, 2014

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (Refer note 9) with cash and cash equivalents is as follows:

(In ₹)

	31st March 2013	31st March 2012
Cash and cheques on hand	-	-
Bank balances		
- In current account	138,053	892,157
Cash and cash equivalents	**138,053**	**892,157**

2. Purchase of fixed assets as stated during the year are considered as part of investing activities.
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) " Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
4. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI.

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi V N
Partner
Membership No.: 106403

Place : Mumbai
Date : 27.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 27.05.2014

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has been classified as current or noncurrent as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Depreciation on tangible assets has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation in respect of assets costing less than ₹5,000 each is fully depreciated in the year of capitalisation Intangible assets are amortised over their estimated useful life as follows:

Patent & Trade Marks -8 years

1.5 Revenue recognition

Income from services

Revenue is recognized when no significant uncertainty as to determination or realization exists.

Income from consultancy services is recognized when the services are provided. Income from services is stated net of service tax wherever applicable.

1.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.7 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.8 Intangible assets

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

1.9 Investments

Investments are classified as current investments and non-current (long-term) investments. Curent investments are carried at the lower of cost and quoted/fair value. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.10 Government Grants:

Government grants related to revenue are recognized on actual receipt and certainty basis in the profit and loss statement over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are shown separately under the head 'other income'.

1.11 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

NOTES to financial statements for the year ended 31st March, 2014

1.12 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.13 Impairment of assets

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

1.14 Provisions and contingencies

The Company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

(In ₹)

	As at 31.03.2014		As at 31.03.2013	
2 SHARE CAPITAL	**No. of share**	**₹**	**No. of share**	**₹**
Authorised:				
Equity shares of ₹10/- each	7,000,000	70,000,000	7,000,000	70,000,000
	7,000,000	**70,000,000**	**7,000,000**	**70,000,000**
Issued, subscribed & paid up:				
Equity shares of ₹10/- each fully paid-up	7,000,000	70,000,000	7,000,000	70,000,000
	7,000,000	**70,000,000**	**7,000,000**	**70,000,000**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at 31.03.2014		As at 31.03.2013	
	No. of share	**₹**	**No. of share**	**₹**
At the beginning of the year	7,000,000	70,000,000	5,000,000	50,000,000
Issued during the year	-	-	2,000,000	20,000,000
Outstanding at the end of the year	**7,000,000**	**70,000,000**	**7,000,000**	**70,000,000**

The company has only one class of equity shares having par value of ₹10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

b) Shares held by holding company

	As at 31.03.2014		As at 31.03.2013	
	No. of share	**₹**	**No. of share**	**₹**
Financial Technologies (India) Ltd.	**7,000,000**	**70,000,000**	**7,000,000**	**70,000,000**

c) Details of the shareholders holding more than 5% of the shares in the company

	As at 31.03.2014		As at 31.03.2013	
	No. of share	**% holding**	**No. of share**	**% holding**
Financial Technologies (India) Ltd. (Actual-	**7,000,000**	**100**	7,000,000	100

**Includes Six Equity shares of the company which is held by other six member of the company. Financial Technologies (India) Ltd. has all the beneficial interest related to these six equity shares.*

NOTES to financial statements for the year ended 31st March, 2014

(In ₹)

		As at 31.03.2014	As at 31.03.2013
3	**RESERVES AND SURPLUS**		
	Surplus / (deficit) in the statement of profit and loss		
	Balance as per last financial statements	(62,875,908)	(63,104,817)
	Add : Profit / (Loss) for the period	(810,432)	228,909
	Net deficit in the statement of profit and loss	**(63,686,340)**	**(62,875,908)**
4	**TRADE PAYABLES**		
	Trade payables	-	1,571,330
	(refer note 19 for details of dues to micro and small enterprises)		
		-	**1,571,330**
5	**OTHER CURRENT LIABILITIES**		
	Statutory payables		
	TDS payable	-	174,912
	Other (PF)	10	10
		10	**174,922**

NOTES to financial statements for the year ended 31st March, 2014

6 FIXED ASSETS

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK
	Cost as at 1st April 2013	Additions	Deletion/ Adjustments	Cost as at 31st March 2014	Upto 1st April 2013	For the period	Deletion/ Adjustments	Upto 31st March 2014	As at 31st March 2014	As at 31st March 2013
TANGIBLE ASSETS										
Computer Hardware	32,916	-	32,916	-	16,504	5,336	21,840	-	-	16,412
Vehicles	815,889	-	-	815,889	355,056	300,832	-	655,888	160,000	460,833
	848,805	**-**	**32,916**	**815,889**	**371,560**	**306,168**	**21,840**	**655,888**	**160,000**	**477,245**
INTANGIBLE ASSETS										
(Other than internally generated)										
Trade Mark	622,224	-	622,224	-	353,151	77,591	430,742	-	-	269,072
	622,224	**-**	**622,224**	**-**	**353,151**	**77,591**	**430,742**	**-**	**-**	**269,072**
Total	**1,471,029**	**-**	**655,140**	**815,889**	**724,711**	**383,759**	**452,582**	**655,888**	**160,000**	**746,317**
Previous year	**1,471,029**	**-**	**-**	**1,471,029**	**564,276**	**160,436**	**-**	**724,712**	**746,317**	**-**

NOTES to financial statements for the year ended 31st March, 2014

(In ₹)

		As at 31.03.2014	As at 31.03.2013
7	**LONG-TERM LOANS AND ADVANCES**		
	Advances recoverable in cash or kind or for value to be received		
	Unsecured, considered good	170,590	159,803
		170,590	**159,803**
	Other loan and advances		
	- Prepaid expenses	-	912
	- Balances with statutory/government authorities - deposits	25,000	232,754
		25,000	**233,666**
		195,590	**393,469**
8	**CURRENT INVESTMENTS**		
	Non -Trade (valued at lower of cost and fair value)		
	Unquoted		
	- in mutual funds		
	Nil (previous year : 3,78,673.464) units of ₹10/- each in Reliance Medium Term Fund - Daily Direct Dividend Plan Dividend Reinvestment	-	6,473,763
	3,367.592 (previous year : nil) units of ₹1000/- each in Reliance Liquid Fund Treasury Plan - Direct Daily Dividend Option Dividend Reinvestment	5,148,173	-
		5,148,173	**6,473,763**
	Note:		
	1) Aggregate value of unquoted investments	**5,148,173**	**6,473,763**
9	**TRADE RECEIVABLES**		
	Unsecured, considered good unless stated otherwise		
	Trade receivables outstanding for a period exceeding six months from date they are due for payment		
	- Unsecured, considered good	303,372	-
		303,372	**-**
10	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Bank balances:		
	With scheduled banks:		
	- in current account	138,053	892,157
		138,053	**892,157**
11	**SHORT-TERM LOANS AND ADVANCES**		
	Advances recoverable in cash or kind or for value to be received		
	Unsecured, considered good	-	8,920
		-	**8,920**
	Other loans and advances		
	- Prepaid expenses	-	2,560
	- Tax deducted at source (net of provisions)	368,482	353,157
		368,482	**355,717**
		368,482	**364,637**
12	**REVENUE FROM OPERATIONS**		
	Sale of services	1,483,415	1,650,000
		1,483,415	**1,650,000**
	Details of services rendered		
	Consultancy fee	1,483,415	1,650,000
		1,483,415	**1,650,000**

NOTES to financial statements for the year ended 31st March, 2014

(In ₹)

		As at 31.03.2014	As at 31.03.2013
13	**OTHER INCOME**		
	Dividend from:		
	- Current investments	364,192	351,375
	Interest income from:		
	- Income tax refund & Other	-	41,392
	Grant from government (for NABARD project) (refer note no. 20)	-	100,000
	Miscellaneous income	10,834	-
		375,026	**492,767**
14	**PURCHASE OF SERVICES**		
	Professional fees	1,617,146	1,441,800
		1,617,146	**1,441,800**
15	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and bonus (net of recovery)	24	24
	Contribution to provident fund and other funds	192	192
		216	**216**
16	**OTHER EXPENSES**		
	Payment to auditor (refer details below)	28,090	63,510
	Legal and professional charges	6,000	230,702
	Printing & stationery	2,100	-
	ROC fees	4,561	1,532
	Rates and Taxes	14,923	39
	Insurance	8,920	11,090
	Loss on sale of current investment	39,784	-
	Miscellaneous expenses*	416,350	4,533
	*(includes, office expenses, profession tax, etc.)		
		520,728	**311,406**
	Details of payment to auditor		
	As auditor:		
	Audit fee	28,090	25,000
	In other capacity		
	Taxation matters	-	38,000
	other services	-	510
		28,090	**63,510**
17	**DEPRECIATION AND AMORTIZATION EXPENSE**		
	Depreciation on tangible assets	306,168	82,845
	Amortization of intangible assets	77,533	77,591
		383,701	**160,436**

NOTES to financial statements for the year ended 31st March, 2014

18 RELATED PARTY DISCLOSURES

(A) Names of related parties and related party relationship :

(i) Company whose control exists (Holding Company)	:	Financial Technologies (India) Limited (since incorporation)
(ii) Fellow subsidiaries: (having common Directors with whom no transactions are carried out)	:	Financial Technologies Communications Limited Bourse India Limited Global Payment Networs Limited Apian Finance and Investment Limited Trans Global Credit And Finance Limited Credit Market Services Limited
(ii) Other related party (having common Directors with whom no transactions are carried out)	:	Grameen Pragati Foundation (Section 25 Company)
(iii) Associates of the Holding Company (where control exists)	:	Multi Commodity Exchange Of India Limited (till 25.12.2013)
(iv) Key Management Personnel (KMP)	:	Dewang Neralla (Director)

(B) Related parties transactions:

(In ₹)

NATURE OF TRANSACTIONS	Holding Company		Associate company of Holding co. (where control exists)			
	31st March 2014	31st March 2013	For the period / for the period end (in respect of MCX for the period 9 months upto 31 December, 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	Associates Company of holding Company (other than MCX) 31st March, 2014	31st March 2013
1 Sale/purchaseofgoods,services and assets during the period/year						
a Sale of assets	11,692	-			-	-
b Consultancy fees (income)	-	-	1,425,000	-	-	1,650,000
c Legal & Professional Fees (Expenses)	1,617,146	1,458,006			-	-
2 Closing Balance As At						
- Debit	-	-	337,080	303,372	-	-
- Credit	-	(1,458,006)			-	-

Related party relationships are as identified by the company and relied upon by the auditor

(In ₹)

(C) Major Transaction with Associate company of holding company :	For the period / for the period end (in respect of MCX for the period 9 months upto 31 December, 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	As at 31.03.2013
Other reimbursement of expenses			
- Charged by them			
Multi Commodity Exchange of India Limited	1,425,000	-	1,650,000
Closing balance			
- Debit			
Multi Commodity Exchange of India Limited	337,080	303,372	-

(In ₹)

NOTES to financial statements for the year ended 31st March, 2014

19	EARNINGS PER SHARE (EPS)	As at 31.03.2014	As at 31.03.2013
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Total operations for the period		
	Net profit / (loss) after tax for calculation of basic EPS	(810,432)	228,909
	Weighted average number of equity shares basic (nos.)	7,000,000	7,000,000
	Weighted average number of equity shares diluted (nos.)	7,000,000	7,000,000
	Basic earnings per share for the period	(0.12)	0.03
	Diluted earnings per share	(0.12)	0.03
	Nominal value of equity share	10/-	10/-

20 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

There were no qualified employees during the year, hence no funding were made during the year and also no actuarial valuation is carried out as per Accounting Standard - 15 " Accounting for retirement benefits in the financial statements of employees". During the year, the company has credited ₹Zero to interest income in the statement of profit and loss being the difference between the the closing balance(Assets) lying with the LIC ₹1,59,802/- and the opening balance of the assets lying with LIC ₹1,59,802/- .

21	DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DIFINED UNDER THE MSMED ACT, 2006		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	NIL	NIL
	Interest due on above		
		NIL	NIL

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.

22 The company's main object is to engage in the business of providing consultancy services. The company has considered business segment as primary segment. Thus there is only one identified reportable segment.

23 The Company is in process of appointment of Company Secretary as required by section 383 A of the Companies Act, 1956

24 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi V N
Partner
Membership No.: 106403

Place : Mumbai
Date: 27.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date: 27.05.2014

DIRECTORS' REPORT

To,

The Members,

Your Directors present the Ninth Annual Report on the business and operations of your Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. FINANCIAL RESULTS AND OPERATIONS:

(in INR)

PARTICULARS	FY 2013-14	FY 2012-13
Total Income	18,25,74,405	10,98,61,071
Total expenditure	25,40,25,947	21,98,35,933
Profit/(Loss) after tax	(7,14,51,542)	(10,99,74,862)
Deficit in the statement of Profit and Loss	(12,24,81,235)	(1,25,06,373)
Balance carried to Balance Sheet	(19,39,32,776)	(12,24,81,235)

During the year under review, the total revenue of your Company was ₹18,25,74,405/-as compared to ₹10,98,61,071/- during the previous year. Company has a net Loss of ₹7,14,51,542/- as compared to ₹10,99,74,862/-during the previous year.

2. DIVIDEND:

During the year your Company has incurred losses, hence your Directors do not recommend any dividend for the year under review.

3. SHARE CAPITAL:

The paid-up Share Capital of your Company stood at ₹18,02,22,063/- as at 31st March 2014. The Company remains to be a subsidiary of Financial Technologies (India) Limited.

4. LOANS:

As at March 31, 2014, the Unsecured Loan stood at ₹6,00,00,000/-

5. FIXED DEPOSITS:

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

6. DIRECTORS:

During the year, Mr. Alok Mehta and Mr. Mahesh Nayak were appointed as an Additional Director on the Board of the Company and subsequently they were appointed as Whole-Time Directors of the Company.

In accordance and to comply with the provisions of Section 152 of the Companies Act 2013 and the Articles of Association of your Company, Mr. Dewang Neralla - Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Dewang Neralla in the ensuing Annual General Meeting.

During the year, Mr. Subramnaya Kusnur and Mr. Miten Mehta were appointed as an Additional Director of your Company. In accordance with Section 161 of the Companies Act, 2013, Mr. Subramanya Kusnur will hold office up to the forthcoming Annual General Meeting and his appointment is subject to the approval of members in the general meeting.

Your Directors recommend the appointment of Mr. Subramanya Kusnur on the Board of the Company.

During the year, Mr. R. Devarajan, Mr. Devendra Agrawal, Mr. Hariraj Chouhan and Mr. Miten Mehta ceased to be the Directors of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. R. Devarajan, Mr. Devendra Agrawal, Mr. Hariraj Chouhan and Mr. Miten Mehta during their association with the Company.

The other Directors continue to be on the Board of your Company.

7. AUDITORS:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 read with the Companies (Audit and Auditors) Rules 2014 of the Companies Act,2013.

DIRECTORS' REPORT

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

8. AUDITORS' REPORT:

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

9. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The Company is engaged in providing technology for mobile-phone based payment solutions and has no activity pertaining to manufacturing; furnishing of details pertaining to conservation of energy is not applicable. However, the Company is committed for adoption of various energy saving methods for Conservation of energy.

Your Company endeavors to adopt modern technology to carry on its operations. Your Company endeavors to carry out In-House R & D activities.

Your Company is making efforts so as to increase its export earnings.

10. FOREIGN EXCHANGE EARNINGS & OUTGO:

Foreign Exchange earning: ₹1,32,76,959/- (Previous Year: ₹34,67,318/-)
Foreign Exchange outgo: ₹10,84,891/- (Previous Year: ₹2,85,063/-)

11. PARTICULARS OF EMPLOYEES:

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

12. DIRECTORS RESPONSIBILITY STATEMENT:

In terms of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

a. in preparation of annual accounts for the year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2013-14 and the loss made by the Company for that period;

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

d. the Annual Accounts of the Company have been prepared on a going concern basis.

13. APPRECIATION:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 10.06.2014

Dewang Neralla — Director
Alok Mehta — Whole-Time Director

AUDITOR'S REORT

To the Members of **Atom Technologies Limited**

We have audited the accompanying financial statements of Atom Technologies Limited, which comprise the Balance sheet as at March 31,2014, and the statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position,financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement,whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. . Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the statement of profit and loss, of the loss for the year ended on that date and

(c) in the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

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

As required by section 227(3) of the act,we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For Chaturvedi Sohan& Co.,
Chartered Accountants
FRN : 118424 W

ChaturvediVN
Partner
Membership No.106403

Place: Mumbai
Date : 28-05-2014

ANNEXURE TO THE AUDITOR'S REPORT

Atom Technologies Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

i) **In respect of its fixed assets:**

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

(b) As explained to us, all the fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable, having regards to the size of the company and nature of its assets. As Informed to us no material discrepancies were noticed on such physical verification.

(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

ii) (a) Inventory has been physically verified by the management at reasonable intervals during year.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has taken unsecured loan from two parties covered in the register maintained u/s 301 of the company Act 1956. The Maximum amount outstanding at any time during the year was Rs. 9.62 Crore (excluding interest) and yearend balance is 9.62 Crore (excluding interest).

(f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the Loan taken are not prima facie prejudicial to the interest of the company.

(g) In our opinion and according to the information and explanation given to us, the payment of principal and interest is regular as per terms and conditions.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lacs in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) According to the information and explanations given to us the company has adequate in- house Internal Audit system commensurate with the size and the nature of its business.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities however few delays were found in some cases.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute except as mentioned below:

Name of the Statue	Nature of Dues	Amount (Rs.)	Period to which amount Relates	Forum Where dispute is pending
Income Tax Act, 1961	Withholding tax (tds) u/s 201(1)/201(1A)	6,44,803/-	AY 2011-12	CIT(Appeal)

ANNEXURE TO THE AUDITOR'S REPORT

Atom Technologies Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

x) The Company's accumulated losses at the end of the financial year are not more than 50% of net worth of Company. The Company has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

xiv) In our opinion and according to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other Investment. The Company has invested surplus fund in mutual funds. According to the information and explanation given to us proper records have been maintained of the transaction and timely entries have been made therein. The Mutual funds have been held by the company in its own name.

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken term loan during the year, accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

xviii) The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Chaturvedi Sohan& Co.,
Chartered Accountants
FRN : 118424 W

ChaturvediVN
Partner
Membership No.106403

Place: Mumbai
Date : 28-05-2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

	Note No.	31st March 2014	31st March 2013
Equities and liabilities			
1 Shareholders' funds:			
(a) Share capital	2	180,222,063	171,622,063
(b) Reserve and surplus	3	(166,722,376)	(122,481,235)
		13,499,687	**49,140,828**
2 Non current liabilities			
(a) Long term borrowings	4	21,416,717	10,136,026
(b) Long -term provisions	5	1,022,642	685,409
		22,439,359	**10,821,435**
3 Current liabilities			
(a) Short term borrowings	6	60,000,000	25,000,000
(b) Trade payables	7	45,186,738	17,485,112
(c) Other current liabilities	8	31,010,915	20,112,836
(d) Short term provisions	9	1,518,303	540,487
		137,715,956	**63,138,435**
		173,655,002	**123,100,698**
Assets			
1 Non current assets			
(a) Fixed assets:	10		
(i) Tangible assets		38,290,932	26,737,575
(ii) Intangible assets		5,144,754	9,062,934
(b) Non current Investments	11	50,000	50,000
(c) Long term loans and advances	12	6,501,604	4,294,327
(d) Other non-current assets	13	1,050,131	470,019
		51,037,421	**40,614,855**
2 Current assets			
(a) Current investments	14	28,298,514	10,099,554
(b) Stock of traded goods	15	1,299,794	1,181,397
(c) Trade receivable	16	30,022,217	24,172,274
(d) Cash and bank balances	17	26,343,003	20,439,251
(e) Short term loans and advances	18	36,615,373	26,562,949
(f) Other current assets	19	38,680	30,418
		122,617,581	**82,485,843**
		173,655,002	**123,100,698**
Summary of significant accounting policies	1		

The accompanying notes from 27 to 37 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN no.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28-5-2014

For and on behalf of the Board

Dewang Neralla
Director

Alok Mehta
Director

Place : Mumbai
Date : 28-5-2014

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

	Note no.	31st March 2014	31st March 2013
CONTINUING OPERATION			
(I) Revenue			
Revenue from operations	20	177,089,263	109,035,858
Other income	21	5,485,142	825,213
TOTAL REVENUE (I)		**182,574,405**	**109,861,071**
(II) Expenditure			
Purchase of traded goods	22	827,890	2,481,894
Increase / (Decrease) in stock of traded goods		(118,397)	500,662
Employee benefit expenses	23	53,593,272	44,476,968
Other expenses	24	175,641,438	153,814,941
Total expenditure (II)		**229,944,203**	**201,274,465**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		(47,369,798)	(91,413,394)
Depreciation and amortization	25	17,090,972	10,386,031
Finance costs	26	6,990,771	8,175,437
(IV) (Loss) for the year		**(71,451,542)**	**(109,974,862)**
(VII) Earnings per share	27		
Basic		(0.40)	(2.14)
Diluted		(0.40)	(2.14)
Face value per share		1/-	1/-
Summary of significant accounting policies	1		

The accompanying notes from 27 to 37 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN no.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28-5-2014

For and on behalf of the Board

Dewang Neralla
Director

Alok Mehta
Director

Place : Mumbai
Date : 28-5-2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

		31st March 2014		31st March 2013	
A.	**Cash flow from operating activities**				
	Net Loss before tax		**(71,451,542)**		**(109,974,862)**
	Adjustments for:				
	Depreciation/ amortisation	17,090,972		10,386,031	
	Finance cost	6,990,771		8,006,083	
	Interest Income	(275,305)		(222,384)	
	Loss on sale / scrap of fixed assets	56,772		1,535,756	
	Profit on sale of fixed assets	(790,496)		-	
	Bad trade receivable /advance written off	-		11,506,746	
	Provision for doubtful debts/advances	2,175,469		15,761,910	
	Impairment of fixed assets	-		4,728,074	
	Dividend income	(4,210,033)		(115,600)	
			21,038,150		51,586,616
	Operating loss before working capital changes		**(50,413,392)**		**(58,388,246)**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	(118,397)		500,661	
	Trade receivables	(8,025,412)		(39,124,932)	
	Short-term loans and advances	(4,714,738)		39,834,671	
	Long-term loans and advances	(60,874)		527,889	
	Other non-current assets	-		(462,560)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	27,701,626		(2,185,953)	
	Other current liabilities	658,104		(1,647,402)	
	Short-term provisions	977,816		(176,615)	
	Long-term provisions	337,233		51,993	
			16,755,359		(2,682,248)
	Cash used in operations		**(33,658,033)**		**(61,070,494)**
	Less :Tax paid		(7,484,089)		(356,915)
	Net Cash used in operating activities		**(41,142,122)**		**(61,427,409)**
B.	**Cash flow from investing activities**				
	Purchase of fixed assets		(24,955,669)		(17,272,029)
	Proceeds from sale of fixed assets		963,244		407,829
	Purchase of investments		(262,500,745)		(43,030,976)
	Proceeds from sale of investments		243,437,909		33,040,720
	Dividend income		4,210,033		115,600
	Interest income		234,708		218,470
	Net Cash (used in) / from investing activities		**(38,610,521)**		**(26,520,386)**
C.	**Cash flow from financing activities**				
	Proceeds from borrowings		65,000,000		87,075,000
	Repayment of borrowings		(8,479,334)		(139,260,072)
	Proceeds from issue of share capital (including share premium)		35,810,400		142,500,000
	Interest expense		(6,990,771)		(8,006,083)

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

	31st March 2014		31st March 2013	
Net Cash from financing activities		**85,340,295**		**82,308,845**
Net cash flow during the year		**5,587,652**		**(5,638,950)**
Net (decrease)/ increase in cash and cash equivalents		**5,587,652**		**(5,638,950)**
Cash and cash equivalents (opening balance)		**18,417,375**		**24,056,325**
Cash and cash equivalents (closing balance)		**24,005,027**		**18,417,375**

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current and deposit accounts. Cash and cash equivalents includes :

(in ₹)

	31st March 2014	31st March 2013
Cash on hand	-	-
Bank balances		
- In current account	24,005,027	18,417,375
- In deposit account (maturing within 3 months)	-	-
Cash and cash equivalents	24,005,027	18,417,375
- In deposit account (maturing more than 3 months and less than 12 months)	2,337,976	2,021,876
- Interest accured on fixed deposits	-	-
Cash and bank balances	**26,343,003**	**20,439,251**

2. Purchase of fixed assets are stated inclusive of movement of capital work in progress between the commencement and end of the year and are considered as part of investing activities.
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard issued (AS 3) "Cash Flow Statement" by The Institute of Chartered Accountants of India.

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

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN no.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28-5-2014

For and on behalf of the Board

Dewang Neralla
Director

Alok Mehta
Director

Place : Mumbai
Date : 28-5-2014

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Upto 31st December 2013, depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Act whichever is higher.

Depreciation in respect of assets costing less than ₹ 5,000 each is fully depreciated in the year of capitalization.

Intangible assets are amortised over their estimated useful life as follows:

Trademarks and Patents are amortized at their available useful life of ten and twenty years respectively. Computer software and Technical Knowhow are amortized over six years considering their related useful lives.

Effective 1st January, 2014, the Management has revised the estimated useful life of the following categories of assets as under.

Asset	Revised useful life
(a) Motor Vehicle	8 Years
(b) Office Equipment (Including Electrical Installations & Equipment)	2 to 10 Years
(c) Computer Hardware	3 to 6 Years
(d) Patent and Trademarks	8 years
(e) Technical know-how and computer software	6 years

Depreciation on assets sold, discarded or demolished during the year is being provided at their rate up to the date in which such assets are sold, discarded or demolished.

1.5 Revenue recognition

Income from services

Revenue is recognized when no significant uncertainty as to determination or realization exists.

a) Revenue from Gateway Service Charges and POS services are recognized on the basis of completion of transactions.

b) Revenue from Monthly Maintenance Charges is recognized on periodic basis per the terms of respective agreements with the clients.

c) Revenue from Software/Hardware Set up & Integration Charges is recognized as per the terms of the respective agreements with the clients.

d) Income from sales and services are shown net of VAT and Service Tax.

e) Dividend income is recognized when the company's right to receive dividend is established.

f) Interest income is recognized on time proportion basis.

Sale of goods

NOTES to financial statements for the year ended 31st March, 2014

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

1.6 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.7 Intangible assets

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

1.8 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

“Foreign currency monetary items of the company outstanding at the Balance Sheet date are restated at the year-end rates.“

Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences

“Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the company are recognised as income or expense in the statement of profit and loss.“

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

1.9 Inventories

Inventories of trading goods are stated at cost or net realisable value whichever is lower. Cost comprises of cost of purchase and other costs incurred in bringing the inventories to their respective present location and condition. Cost is determined on First in First out (FIFO) basis

1.10 Investments

Investments are classified as current(short-term) investments and non-current(long-term) investments. Non current investments are valued at cost and current investments are carried at the lower of cost and market value. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.11 Employee benefits

Post employment benefits and other long term benefits

Company’s contribution to provident fund is charged to profit and loss account. The company’s liability towards gratuity is funded through a scheme (Group Gratuity) administered by the Life Insurance Corporation of India. Leave encashment on retirement is provided on actual basis in accordance with the company’s scheme in this respect

Defined benefit plans

For defined benefit schemes and other long term benefit plans viz. gratuity and leave encashment expected to occur after twelve months, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Actuarial gains and losses are recognized in full in the statement of profit and loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of the available refunds and reduction in contributions to the scheme

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

1.12 Borrowing costs

NOTES to financial statements for the year ended 31st March, 2014

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis.

1.14 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

1.15 Impairment of assets

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

1.16 Provisions and contingencies

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

(in ₹)

		31st March 2014		31st March 2013	
2	**SHARE CAPITAL**	**Nos.**	**₹**	**Nos.**	**₹**
	Authorised:				
	650,000,000 (Previous year 650,000,000 of Rs 1/- each) Equity shares of Rs.1/- each	650,000,000	650,000,000	650,000,000	650,000,000
		650,000,000	**650,000,000**	**650,000,000**	**650,000,000**
	Issued, subscribed & paid up:				
	180,222,063 (Previous year 171,622,063) Equity shares of Rs.1/- each	180,222,063	180,222,063	171,622,063	171,622,063
	* as per the Capital Reduction Scheme (Refer note (d) below)				
		180,222,063	**180,222,063**	**171,622,063**	**171,622,063**
a)	Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year.				
	At the beginning of the year	171,622,063	171,622,063	29,122,063	29,122,063
	Issued during the year	8,600,000	8,600,000	142,500,000	142,500,000
	Cancellation of shares on capital reduction *	-	-		
	Outstanding at the end of the year	**180,222,063**	**180,222,063**	**171,622,063**	**171,622,063**
	The company has only one class of equity shares having par value of Rs 1/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.				

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014		31st March 2013	
		Nos.	₹	Nos.	₹
b)	Shares held by holding company				
	Financial Technologies (India) Ltd.	170,637,063	170,637,063	170,637,063	170,637,063

c) Details of the shareholders holding more than 5% of the shares in the company

	31st March 2014		31st March 2013	
	Nos.	% holding	Nos.	% holding
Financial Technologies (India) Ltd.	170,637,063	94.68	170,637,063	99.43

d) Note on capital Reduction

The Hon'ble High Court of Judicature at Bombay vide its order dated 27th April, 2012 sanctioned the scheme of capital reduction as approved in the Special Resolution passed by its members at the Extra Ordinary General Meeting held on February 27, 2012. effective date 1st February 2012 Accordingly from the effective date (i.e. March 1, 2012), the equity share capital of the company had been reduced from ₹ 582,441,250 divided into 582,441,250 equity shares of ₹ 1/- each to ₹ 29,122,063/- divided into 29,122,063 equity shares of ₹ 1/- each on cancellation of equity share capital of ₹ 553,319,187/- divided into 553,319,187 equity shares of ₹ 1/- each held by Financial Technologies (India) Ltd for a consideration of ₹ 553,319/- (₹ Five Lac fifty three thousand three hundred nineteen only) by setting off of the debit balance in the Statement of Profit and Loss on the effective date and has been paid out of remaining net worth of the Company.

e) During the year, company has issued Convertible Share warrant of ₹85,50,000/ -

Following are the Terms & Conditions related to Share warrants:

i. The share warrants shall be converted into one equity share of face value Ra.1 each, fully paid up.

ii. The equity shares arising on conversion of warrants shall be issued at a consideration of Rs. 4.164/- per share (face value of ₹ 1/- each and ₹3.164/- being premium thereof)

iii. The conversion shall be done in tranches mentioned below or as the Board/Committee in its absolute discretion decided from time to time.

Tranches	Date of Conversion
1st Tranch	On or Before 20/04/2014
2nd Tranch	On or Before 20/04/2015
3rd Tranch	On or Before 20/04/2016

iv. In case of any bonus issue / rights offer by the company, the aggregate number of warrants shall increase in the proportion of bonus issue/ rights offer.

3	RESERVES AND SURPLUS	31st March 2014	31st March 2013
	Deficit in the statement of profit and loss		
	Balance as per last financial statements	(122,481,235)	(12,506,373)
	Loss for the year	(71,451,542)	(109,974,862)
		(193,932,776)	**(122,481,235)**
	Net deficit in the statement of profit and loss	**(193,932,776)**	**(122,481,235)**
	Share Premium		
	Opening balance	-	-
	Received during the year	**27,210,400**	**-**
	Closing balance at the end of the year	**27,210,400**	**-**
	TOTAL	**(166,722,376)**	

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
4	**LONG TERM BORROWINGS**	**31st March 2014**	**31st March 2013**
	Loan from related party (Refer note 30)		
	Unsecured, considered good	21,416,717	10,136,026
	Long term loan taken form related party. This loan is for the tenor of 3 years from acutal disbursement & carries interest rate of 11% p.a.The principal amount of loan is payable as per agreement in EMI		
		21,416,717	**10,136,026**
5	**LONG TERM PROVISIONS**		
	Provision for leave encashment	1,022,642	685,409
		1,022,642	**685,409**
6	**SHORT TERM BORROWINGS**		
	Unsecured Loan -from holding company (refer note 30)	60,000,000	25,000,000
	(Unsecured loan is repayable on demand and cariies interest rate 8.25% to 10.25% p.a.)		
		60,000,000	**25,000,000**
7	**TRADE PAYABLES**		
	Trade payables	45,186,738	17,485,112
	(refer note 35 for details of dues to micro and small enterprises)		
		45,186,738	**17,485,112**
8	**OTHER CURRENT LIABILITIES**		
	Advances from customers	8,130,621	5,086,655
	Current maturities of long term borrowings	14,743,877	4,503,902
	Income received in advance (unearned revenue)	655,303	1,349,702
	Other Payables		
	-Statutory payable		
	Service Tax Payables	4,236	11,687
	TDS Payables	5,352,980	3,072,878
	Statutory-other (PF/VAT/PT etc.)	175,347	220,570
	-Contractually reimbursements/ payables	760,181	5,867,442
	-Others payable	1,188,370	-
		31,010,915	**20,112,836**
9	**SHORT TERM PROVISIONS**		
	Provision for Gratuity	931,804	-
	Provision for leave encashment	586,499	540,487
		1,518,303	**540,487**

NOTES to financial statements for the year ended 31st March, 2014

10 FIXED ASSETS

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT					NET BLOCK	
	Cost as at 1st April 2013	Additions for the year	Deletion/ Adjustments	Cost as at 31st March 2014	Upto 1st April 2013	For the year	Deletion/ Adjustments	Impairment during the year	Upto 31st March 2014	As at 31st March 2014	As at 31st March 2013
TANGIBLE ASSETS											
Office Equipment	1,206,423	82,200	9,750	1,278,873	185,266	366,339	16		551,589	727,284	1,021,157
Computer Hardware	41,323,750	24,768,044	750,001	65,341,793	16,730,836	12,539,849	530,215		28,740,471	36,601,323	24,592,914
Vehicles	1,495,137	-	-	1,495,137	371,634	161,179	-		532,813	962,324	1,123,503
	44,025,310	**24,850,244**	**759,751**	**68,115,804**	**17,287,737**	**13,067,367**	**530,231**	**-**	**29,824,873**	**38,290,930**	**26,737,574**
INTANGIBLE ASSETS											
(Other than internally generated)											
Trade Mark & Patent	772,880	-	-	772,880	264,089	123,950	-	-	388,039	384,841	508,792
Computer Software	2,880,560	105,424.90	-	2,985,985	1,190,661	431,183	-		1,621,844	1,364,141	1,689,899
Technical Know how	20,800,000	-	-	20,800,000	13,935,756	3,468,472	-		17,404,228	3,395,772	6,864,244
	24,453,440	**105,425**	**-**	**24,558,865**	**15,390,505**	**4,023,605**	**-**	**-**	**19,414,110**	**5,144,755**	**9,062,935**
Total	**68,478,751**	**24,955,669**	**759,751**	**92,674,669**	**32,678,242**	**17,090,972**	**530,231**	**-**	**49,238,983**	**43,435,685**	**35,800,509**
Previous year	**45,815,425**	**29,022,029**	**6,358,704**	**68,478,751**	**21,979,256**	**10,386,030**	**4,415,118**	**4,728,074**	**32,678,242**	**35,800,509**	**-**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
11	**NON CURRENT INVESTMENT**		
	Trade (valued at cost)		
	Unquoted		
	- in Shares		
	5,000 (Previous Year 5,000) Equity shares of ₹10/- each fully paid up of Grameen Pragati Foundation	50,000	50,000
		50,000	**50,000**
	Note :		
	1) Aggregate Value of Unquoted Investments	50,000	50,000
12	**LONG TERM LOANS AND ADVANCES (CONSIDERED GOOD)**		
	Advances recoverable in cash or kind or for value to be received		
	Unsecured, considered good	25,000	25,000
		25,000	**25,000**
	Other loan and advances		
	Prepaid expenses	104,662	43,788
	Balances with statutory/government authorities-deposits	25,000	25,000
	Tax deducted at source (net of provision)	6,346,942	4,200,539
		6,476,604	**4,269,327**
		6,501,604	**4,294,327**
13	**OTHER NON CURRENT ASSETS**		
	Interest accrued on fixed deposits	39,794	7,459
	Deposits with original maturities of more than 12 months	1,010,337	462,560
		1,050,131	**470,019**
	*Deposits of ₹ 1,010,337 (Previous year ₹ 462,560) are in respect of securities against bank guarantees issued		
14	**CURRENT INVESTMENT**		
	Non Trade - current investments		
	Unquoted		
	-in Mutual Funds		
	2713132.634 Unit (Previous Year NIL) JM High Liquidity Fund (Direct) -Daily Dividned Option NAV 10.4302	28,298,516	-
	Current Year NIL (Previous year: 1009349.738 units) JM Money Manager Fund superplus - Div- DDR	-	10,099,554
		28,298,516	**10,099,554**
	Note:		
	1) Aggregate value of unquoted investments	**28,298,516**	**10,099,554**
15	**STOCK IN TRADE (VALUED AT LOWER COST AND NET REALIZABLE VALUE)**		
	Traded goods	1,299,794	1,181,397
		1,299,794	**1,181,397**
16	**TRADE RECEIVABLES**		
	Unsecured, considered good unless stated otherwise		
	Debtors outstanding for a period exceeding six months from date they are due for payment		
	- Unsecured, Considered good	25,351,323	4,225,655
	- doubtful	20,079,665	17,904,198
		45,430,989	22,129,853
	Less: Provision for doubtful receivables	(20,079,665)	(17,904,198)
		25,351,323	**4,225,655**

NOTES to financial statements for the year ended 31st March, 2014

			(in ₹)
		31st March 2014	**31st March 2013**
	Other debtors (less than six months)		
	- Unsecured, considered good	4,670,893	19,946,619
	- doubtful	-	-
		4,670,893	**19,946,619**
	Less: Provision for doubtful receivables	-	-
		4,670,893	**19,946,619**
		30,022,217	**24,172,274**
17	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Cash on hand	-	-
	Bank balances:		
	With scheduled banks:		
	- in current account	24,005,027	18,417,375
		24,005,027	**18,417,375**
	*Other bank balance		
	Deposits with original maturities of more than 3 months but less than 12 months	2,337,976	2,021,876
		2,337,976	**2,021,876**
		26,343,003	**20,439,251**
	*Deposits of ₹2,337,976 (Previous year ₹20,21,876) are in respect of securities against bank guarantees issued		
18	**SHORT TERM LOANS AND ADVANCES**		
	Security deposits		
	Unsecured, considered good	-	1,050,000
		-	1,050,000
	Advances recoverable in cash or kind or for value to be received		
	Unsecured, considered good	10,205,672	4,090,463
		10,205,672	**4,090,463**
	Other Loan and advances		
	- Prepaid expenses	1,903,927	1,264,344
	- Loans to employees	220,330	29,048
	- Balances with statutory/government authorities	12,103,701	13,284,841
	- Tax deducted at source (net of provision)	12,181,742	6,844,056
	- Excess of fund over provision (provision for gratuity)*	-	197
		26,409,700	**21,422,486**
		36,615,373	**26,562,949**
	*In case of gratuity, as the provision amount is less than the funded amount, the excess is disclosed under loans and advances		
19	**OTHER CURRENT ASSETS**		
	Interest accrued on fixed deposits	38,680	30,418
		38,680	**30,418**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
20	**REVENUE FROM OPERATIONS**		
	Sale of products		
	Traded goods	1,904,325	3,997,140
	Sale of Services		
	IT/ IT enabled services	175,184,938	105,038,718
		177,089,263	**109,035,858**
	Details of product sold :		
	Traded Goods sold		
	Computer hardware and peripherals	1,904,325	3,997,140
		1,904,325	**3,997,140**
	Details of services rendered :		
	Gateway service charges	13,452,335	12,989,001
	Software set up & integration charges	18,954,231	23,940,881
	Maintenance charges	4,775,381	8,034,512
	Income from POS services	43,987,564	24,357,615
	Other IT enable services	94,015,427	35,716,709
		175,184,938	**105,038,718**
21	**OTHER INCOME**		
	Dividend from:		
	- Current investments	4,210,033	115,600
	Interest income from:		
	- Bank deposit accounts	275,305	222,384
	- Others	-	389,611
	Profit / (loss) on sale of assets(net)	790,496	-
	Other miscellaneous income	209,308	97,618
		5,485,142	**825,213**
22	**PURCHASE OF TRADED GOODS**		
	Details of purchase of traded goods :		
	Computer hardware and peripherals	827,890	2,481,894
		827,890	**2,481,894**
23	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and bonus (net of recovery)	50,692,202	42,140,296
	Contribution to provident fund and other funds	1,122,889	963,952
	Gratuity	1,045,960	742,896
	Staff welfare expenses	732,221	629,824
		53,593,272	**44,476,968**
24	**OTHER EXPENSES**		
	Software license fees expenses	2,599,854	3,367,973
	Electricity charges	1,781,133	878,323
	Managed services charges	27,003,619	27,000,000
	Payment to auditors (Refer details below)	425,000	603,712
	Rent	10,326,381	6,849,984
	Repairs and maintenance	1,822,264	1,653,383
	Travelling and conveyance	3,826,683	2,080,162
	Communication expenses	2,794,642	3,641,649

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
	Insurance expenses	158,996	153,231
	Recruitment charges	146,030	1,110,704
	SMS charges	3,169,711	2,607,013
	Commission paid	73,892,234	25,773,566
	Support service charges	15,633,478	24,323,724
	Provision for doubtful debts/advances	2,175,469	15,761,910
	Bad trade receivable /advance written off		
	Less: Provision held	-	11,506,746
	Business promotion expenses	1,602,990	567,773
	Advertisement expenses	185,000	110,916
	Legal and professional charges	22,603,170	16,527,231
	Loss on sale of fixed assets (net)	-	97,482
	Loss on scrap of fixed assets	56,772	1,438,274
	Impairment of fixed assets	-	4,728,074
	ROC fees expenses	44,662	149,807
	Office expenses	1,433,994	1,054,104
	Miscellaneous expenses	3,959,356	1,829,200
	*(includes Printing and stationery expenses, Sponsorship expenses, Security service charge, Seminar and conference expenses, Subsciption and membership charges, Other misc. expenses, etc.)		
		175,641,438	**153,814,941**
	Details of payment to auditor		
	As auditor :		
	Audit fee	225,000	225,000
	In other capacity		
	Tax Audit fee/Taxation matters	200,000	315,000
	other services (certification fees)	-	59,510
	Reimbursement of expenses	-	4,202
		425,000	**603,712**
25	**DEPRECIATION AND AMORTIZATION EXPENSE**		
	Depreciation of tangible assets	13,067,367	6,391,365
	Amortization of intangible assets	4,023,605	3,994,666
		17,090,972	**10,386,031**
26	**FINANCE COSTS**		
	Interest on borrowings		
	- to related parties on unsecured loan (Refer note 30)	6,785,283	8,006,083
	- to others	63,740	2,162
	Bank charges	141,748	167,192
		6,990,771	**8,175,437**
27	**EARNINGS PER SHARE (EPS)**		
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Total operations for the year		
	Net Profit / (Loss) after tax for calculation of basic EPS	(71,451,542)	(109,974,862)
	Weighted average number of equity shares basic and diluted (nos.)	178,242,885	51,450,830
	Basic and diluted earnings per share	(0.40)	(2.14)
	Nominal value of equity share	1/-	1/-

NOTES to financial statements for the year ended 31st March, 2014

28 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

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

The following table sets out the status of the gratuity plan and amounts recognized in the Company's financial statements as at 31st March, 2014 :

Statement of profit and loss

Net employees benefit expense recognized in the employee cost

(in ₹)

	31st March 2014	31st March 2013
Current service cost	610,425	340,963
Interest cost	101,472	78,129
Expected return on plan assets	(107,024)	(140,100)
Acturial (gain) or loss	441,090	463,904
Expense recognised in profit and loss statement	**1,045,963**	**742,896**
Actual return on plan assets	**95,932**	**23,353**
Balance sheet		
Benefit asset/(liability)		
Liability at the end of year	2,034,786	1,229,967
Fair value of the plan assets at the end of year	1,102,982	1,230,164
Plan asset	**(931,804)**	**197**
Changes in the present value of the defined benefit obligation are as follows :		
Projected benefit obligation at the beginning of the year	1,229,967	892,905
Interest cost	101,472	78,129
Current service cost	610,425	340,963
Liability Transfer In	-	-
Benefit paid	(337,076)	(429,187)
Actuarial loss/ (gain) on obligations	429,998	347,157
Projected benefit obligation at the end of the year	**2,034,786**	**1,229,967**
Changes in the fair value of plan assets are as follows :		
Fair value of the plan asset at the beginning of the year	1,230,164	1,629,066
Expected return on plan assets	107,024	140,100
Contributions	113,961	6,932
Fund Transfer In	-	-
Benefits paid	(337,076)	(429,187)
Actuarial (loss)/ gain on plan assets	(11,092)	(116,747)
Fair value of plan assets at the end of the year	**1,102,981**	**1,230,164**
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :		
Investments with insurer	**100%**	**100%**

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the company's plans are shown below :

Mortality Table (LIC)	1994-96(Ultimate)	1994-96(Ultimate)
Discount Rate	8.25%	8.75%
Expected rate of return on assets	9.31%	8.70%
Salary escalation rate	7.50%	7.50%
Employee turnover	For 0 to 4 yrs 6% p.a. & 5 yrs and above 2%	For 0 to 4 yrs 6% p.a. & 5 yrs and above 2%

NOTES to financial statements for the year ended 31st March, 2014

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

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

29 SEGMENT INOFRMATION

The company is engaged in the business of providing Information technology (IT) and Information Technology Enabled Services (ITES). The Company has considered business segment as Primary segment. Thus there is only one identified reportable segment.

30 RELATED PARTY DISCLOUSERS

(A) Names of related parties and related party relationship :

(i)	Company whose control exists (Holding Company)	:	Financial Technologies (India) Limited (since incorporation)
(ii)	Fellow Subsidiaries (with whom transactions are carried out)	:	National Bulk Handling Corporation Limited
		:	Financial Technology Communication Limited
		:	Apian Finance & Investment Limited
		:	Tickerplant Limited
		:	FT Knowledge Management Co. Ltd
		:	National Spot Exchange Ltd
(iii)	Associates of the Holding Company (where control exists) (with whom transactions are carried out)	:	Multi Commodity Exchange of India Limited
(iv)	Key Management Personnel (KMP)	:	Mr. Dewang Neralla (Director)
		:	Mr. Alok R Mehta (Director) (w.e.f 30.09.2013)
		:	Mr. Mahesh Damodar Nayak (Director) (w.e.f 21.11.2013)

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

Nature of Transactions	Holding Companies		Fellow Subsidiaries		Associate company of Holding co. (where control exists) (Refer footnote 2)			Key Management Personnel	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013	for the period / for the period end (in respect of MCX for the period 9 months upto 31 Dec., 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	31st March 2013	31st March 2014	31st March 2013
Sale/Purchase of goods,services and Assets									
Software setup and Integration charges and other services charge	723,388	708,125	24,655	7,720,918	3,130,190	326,065	4,533,456		
Sale of fixed assets	-	250,941	-	80,685	-	-	20,285		
Managed service charges paid	27,003,619	27,000,000	-	-	-	-	-		
Professional fees Paid	1,227,501	80,000	-	-	-	-	-		
Rent and Amenities charged by	10,326,381	6,816,984	-	-	-	-	-		
Interest paid	4,284,599	7,875,345	2,500,684	130,738	-	-	-		
Consideraion on cancellation of capital Nos 553,319,187 of Rs.1 each	-	-	-	-	-	-	-		
Other reimbursement of expenses									
-Charged by them	7,054,749	5,555,511	528,000	558,508	-	-	1		
-Charged to them	-	-		-			-		
Purchase of fixed assets	82,847	1,867	-	-	-	-	-		
Loan taken and repayment thereof									
Opening balances	25,000,000	91,825,000	14,639,928	-	-	-	-		
Taken during the period	35,000,000	72,075,000	30,000,000	15,000,000	-	-	-		
Repaid during the year	-	138,900,000	8,479,334	360,072	-	-	-		
Balance as at March 31, 2013	60,000,000	25,000,000	36,160,594	14,639,928	-	-	-		
Allotment of equity shares	-	142,500,000	-	-	-	-	-		
Salary and allowances									
Alok R Mehta								3,240,596	-
Mahesh Damodar Nayak								5,658,734	-
Closing balance									
-Debit	227,529	-	-	7,589,918	252,810	3,808,913	-		
Credit(excluding loan payable)	13,751,852	63,680	-	-	-		-		

Note: 1) Related parties relationship is as identified by the company and relied upon by the auditors.

2) With effect from 26 December, 2013, as the holding company does not have any significant influence over MCX, however, transaction with MCX from 1st January, 2014 to 31st March, 2014 and balances outstanding as at 31st March, 2014 have been disclosed as additional information.

NOTES to financial statements for the year ended 31st March, 2014

(C) Major Transaction with Fellow subsidiaries & Associate Enterprises of Holding company

	for the period / for the period end (in respect of MCX for the period 9 months upto 31 Dec., 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	31st March 2014	31st March 2013
Software setup and Integration charges and other services charge				
FT Knowledge Management Co. Ltd				7,505,000
National Bulk Handling Corporation Limited			24,655	18,418
Multi Commodity Exchange of India Limited	3,130,190	326,065	-	4,533,456
Sale of fixed assets				
Tickerplant Limited				38,981
National Bulk Handling Corporation Limited				6,084
National Spot Exchange Ltd				35,620
Multi Commodity Exchange of India Limited				20,285
Interest paid				
Apian Finance & Investment Limited			2,500,684	130,738
Other reimbursement of expenses				
-Charged by them				
Financial Technology Communication Limited			528,000	528,000
Loan taken and repayment thereof				
Apian Finance & Investment Limited				
Opening balances			14,639,928	-
Taken during the period			30,000,000	15,000,000
Repaid during the year			8,479,334	360,072
Balance as at March 31, 2013			36,160,594	14,639,928
Closing balance				
-Debit				
Apian Finance & Investment Limited			36,160,594	14,639,928
Multi Commodity Exchange of India Limited	252,810	3,808,913		-
FT Knowledge Management Co. Ltd			-	7,589,918

31 LEASES

Operating lease commitments : company as lessee

The company has entered into operating lease for its office. The Lease rentals/reimbursements recognized in the Profit and Loss Account during the year and future minimum lease payments under non-cancelable operating lease are as follows:

(in ₹)

	31st March 2014	31st March 2013
Lease Rentals (net of recoveries)	9,300,000	6,300,000
Future minimum lease payments:		
Not later than one year	9,300,000	8,400,000
Later than one year and not later than five years	6,200,000	Nil
Later than five years	NIL	Nil

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
32	**CONTINGENT LIABILITIES AND COMMITMENTS**		
	a) Estimated amount of contract to be executed in Capital Account and not provided for (Net of Advances)	5,650,000	NIL
	b) For commitments relating to lease arrangements (Refer note 31)	NIL	NIL
	c) Contigent liabilties not provided for (Secured upto ₹3,348,313/- Previous Year ₹2,484,436/-)	9,100,000	7,800,000
	d) Income Tax*	644,803	644,803
	* Income tax demand comprise demand from the Indian tax authorities for payment of tax liability u/s 201(1)/201(1A) of the Income tax Act,1961 for ₹6,44,803/-for the financial years 2011-2012.The matter is pending before the Commissioner of Income tax (Appeals). The company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process.		
33	**EXPENDITURE IN FOREIGN CURRENY (ACCRUAL BASIS)**		
	Repairs to computers	-	4,086
	Travelling expenses	116,254	43,936
	Software license fees	250,240	191,895
	Professional Charges	674,439	-
	Sales Promotion expenses	22,841	-
	othres	21,117	45,146
		1,084,891	**285,063**
34	**EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)**		
	Gateway charges, software setup & integration and monthly maintenance charges	13,276,959	3,467,318
		13,276,959	**3,467,318**
35	**Details of due to micro and small enterprises as defined under the MSMED Act, 2006**		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	7,500	8,286
	Interest due on above		-
		7,500	**8,286**

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

36 The aggregate amount of revenue expenditure incurred during the year on research and development are shown in the respective heads of account is ₹10,047,752/- (previous year ₹8,658,648/-)

37 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co
Chartered Accountants
FRN no.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28-05-2014

For and on behalf of the Board

Dewang Neralla
Director

Alok Mehta
Director

Place : Mumbai
Date : 28-05-2014

DIRECTORS' REPORT

To

The Members

NATIONAL BULK HANDLING CORPORATION LIMITED (NBHC)

Your Directors present the Ninth Annual Report of your Company along with the Audited Statement of Accounts for the year ended March 31, 2014.

FINANCIAL RESULTS AND OPERATIONS:

(₹ in lacs)

PARTICULARS	2013-14	2012-13
Total Income	16,961.45	15,995.96
Total Expenditure	19,217.75	11,993.47
Operating Profit*	2,751.18	4,825.21
EBITDA	(2,256.29)	4,002.49
Profit before tax	(43,99.40)	1,917.25
Income Tax	60.52	467.14
Profit after Tax	(4,459.93)	1450.11
Balance carried to Balance Sheet		4,016.15
Paid up capital	8000.00	8200.00
Net-worth	77,56.21	12,216
Key Ratios		
EBITDA %	(13.30%)	25%
ROCE %	(25.65%)	29%
PAT Margin	(26.28%)	9%

* Before extra-ordinary items/provisions

Economy & Business Environment

India's economy expanded at 4.7 per cent in the entire 2013-14 financial year, marking a second straight year of below 5 per cent growth. After achieving an unprecedented growth of over 9 per cent for three successive years between 2005-06 and 2007-08, recovering swiftly from the global financial crisis of 2008-09, the Indian economy has been going through challenging times that has culminated in sub 5 per cent growth of GDP at factor cost at constant prices for the past two consecutive years, i.e. 2012-13 and 2013-14. The share of agriculture and allied sector in gross domestic product (GDP) has declined to 15.2 per cent during the Eleventh Plan and further to 13.9 per cent in 2013-14 (Provisional Estimates—PE).

In the agriculture sector, substantial progress in acreage and production was observed in 2013-14. Over the last decade, Indian agriculture has become more robust with record production of food grains and oilseeds. Increased procurement under MSP, consequently, has added huge stocks of food grains in the granaries. As per the 3rd Advance Estimates, the acreage under food grains has increased to about 126.2 million ha (an increase of 4.47 per cent over last year); and under oilseeds, is has increased to 28.2 million ha (an increase of 6.42 per cent over last year). Record food grain production of 264.4 million MT and oilseeds production of 32.4 million MT are estimated for the year 2013-14. The growth in agriculture trade was very encouraging in 2013-14. As per report published for the period from Apr 2013- Feb 2014, India has exported agriculture products worth Rs 2,68,469 Crores. Agricultural exports stood at Rs. 41,600 Crores in the year 2004-05 and thus there has been an increase of 6.45 times in the last 10 years. India has emerged as a nmajor rice exporting country. The year 2014-15 was poised for even more improved agriculture production. However, due to the errant monsoon resulting from El-nino effect was expected to result in serious deficit in this year's monsoon seems to have receded. The government has set the target for foodgrains production at 261 million MT in the 2014-15 cropping year. In the foodgrains category, the government has kept the targets for rice at 106 million MT, wheat at 94 million MT, pulses at 19.5 million MT and coarse cereals at 41.5 million MT.

Financial perspective of the year gone by

FY-2013-14 can be termed as a year when the Company's business foundations , its philosophy as well as the Management ethos it embraces, were tested, put under immense scrutiny, debated and eventually established beyond any doubt. The year commenced with a promise to its employees, clients and all its stake holders assuring all-round growth , development and expansion of business. The first 6 months had provided the necessary back drop for what was projected a robust performance year, with the Q1&Q2 aggregate sales at Rs 8968.01 lacs, EBITDA of Rs 2031.40 lacs and PAT of Rs 1061.00 lacs, thus indicating a promising and scintillating financial performance for the Company across all its business verticals.

The NSEL episode post July 31, 2013 had the potential to seriously damage our business as the basic trust in the warehoused commodities' quality and quantity came under question. It is matter of great satisfaction and indeed, professional pride that NBHC's impeccable long standing track record of integrity, efficiency and professionalism in its operations stood the Company in good stead. Also, in view of ensuring long term credibility in the banking system, the Company decided to consciously limit its supply chain /Trade Facilitation activities and paid up the entire borrowings from the

DIRECTORS' REPORT

banks much before they were due. Our gesture in having repaid the loans with all the interest due has helped us subsequently in quickly re-establishing the lines of credit with various banks.

The Company has, notwithstanding the above events and the direct and indirect fallout thereof, achieved sales of Rs 16,961.45 lac, thereby registering a 6% growth over the last fiscal. The expenses have to be gauged in the perspective the Company's prudential approach- thus, extra-ordinary items have been either provided for or written off, thus causing a sharp and one-time increase in the expenses for the year ended 31.3.2014.

The Directors are confident that the decision to adequately provide for/write off debts/outstanding -not considered good for recovery by the Company, shall provide the Company optimal impetus for a revitalized growth trajectory, one, which is unhindered and uninhibited by the events of the past year.

Key business developments during the year

Your Company takes immense pride in stating that as the leading integrated warehousing, collateral management and supply chain services provider, its systems, processes and practices are the best in the industry and have proven resilient especially when placed in perspective of events of the past year. The Company's professional Top Management have ensured that the Company's functioning, operations, systems & processes are credible, independent, beyond interference and able to withstand risks inherent and typical to the eco-system it provides services to.

Furthermore, the Company has been subjected to detailed scrutiny and audit at every level of functioning by independent and highly competent professional entities who have returned with outstanding testimony of the processes, practices, ethos and management philosophy the Company espouses.

However, it is imperative to put the external events post 31st July, 2013 in perspective and the related consequences on the Company which is evident from the gradual deceleration in the business as also the Management's decision to continue its services while ensuring that its clients are unhampered or affected in any way.

The Company had as on 31.7.2014, over 1530 warehouses with approx. of 2.60 MMTs in capacity and Rs 7100 crores of Assets under its management (AUM).

As at 31.3.2014, the Company had over 1356 warehouses with approx. of 2.71 MMTs in capacity and Rs 7660 crores of AUM.

In perspective, the Company had at the start of the FY14, over 1700 warehouses with approx. of

3.35 MMTs in capacity and Rs 9489 crores of assets under its management.

At the start of the year, the supply chain activity was geared to include more commodities, clients, geographic areas, which later was prudently moderated, thus inventory levels as at the end of the FY14 was a modest Rs 46 crores as compared to inventory levels of Rs 251 crores as at 31.3.2013 (PY FY13). Similarly, the Company reduced the availing of its credit facilities from its sanctioned levels of Rs 315 crores to Rs 25 crores as the end of the FY 14.

Notwithstanding the same, its partner-banks and clients have continued to provide immensely gratifying support to the Company as is evidenced from the assets aggregated for Collateral Management only during FY at approx Rs 10,930 crores as against Rs 11,995 crores during the FY13.

Dividend

Considering the profitability and the cash flow of the Company, the Board does not recommend any dividend for the Financial Year 2013-14.

Human Resources

The HR policies of the Company continue to remain a core focus of the Company and it endeavours to improve upon them in the following years. The Company has initiated several steps towards making it a great place to work.

Changes to Equity Share Capital

During the period under review, the Company has forfeited from the respective shareholders 2,00,00,000 partly paid up equity shares due to their inability to pay the call money demanded by the Company. Consequently, the paid up amount of Rs. 2,00,00,000 has been transferred to the capital reserves, resulting in the paid-up equity share capital standing reduced from Rs. 82,00,00,000 to Rs. 80,00,00,000 as on March 31st, 2014.

Your Company issued 1,60,00,000 equity shares of Rs. 10/- each at premium of Rs. 19.88 on right offer basis on June 07th, 2014, consequently, the paid-up equity share capital has increased from Rs. 80,00,00,000 to Rs. 96,00,00,000 as on June 07th, 2014.

The new promoters have in May 2014, infused Rs 47.80 crores, so as to shore up the capital base thereby increasing the networth of the Company to Rs 125.36 crores

Transfer of Share Capital

During the year, the Holding Company M/s Financial Technologies (India) Limited and other shareholders of the Company executed a Share Purchase Agreement with one of the country's leading private equity venture, IVF Trustee Company Pvt Ltd. in their capacity as the Trustees of India Value Fund IV to purchase the entire stake of the Financial Technologies (India) Ltd. as also the other associated shareholders. The share transfer has been effected in FY 2014-15 with all 100% shares of the Company being transferred to IVF Trustee Company Pvt Ltd. on April 26th, 2014.

FIXED DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under during the year under review. Hence, there is no outstanding amount as on the Balance Sheet date.

DIRECTORS' REPORT

DIRECTORS

Induction :

On November 15th, 2013 Mr. A. Nagarajan was inducted as Additional Director and Mr. Santosh Dadheech inducted as Additional Director of the Company.

On April 26th, 2014 Mr. Pramod Kabra and Mr. Vikram Nirula were appointed as Additional Directors of the Company.

Resignations :

The following Directors have resigned as noted here below :

Mr. R Devarajan on August 08, 2013, Mr. Jignesh Shah on December 26th, 2013, Mr. Paras Ajmera on March 08th, 2014, Mr. A. Nagarajan on April 26th, 2014 and Mr. Santosh Dadheech on April 29th, 2014 stepped down as Directors of the Company respectively.

In accordance with the provisions of Section 149 of the Companies Act, 2013 and the Rules made there under, which came with into effect from April 01st, 2014, approval of the members will be sought at the ensuing Annual General Meeting of the Company for formalizing the appointment of Mr. Pramod Kabra and Mr. Vikram Nirula as Directors of the Company who will be liable for retirement by rotation. However, Mr. Pramod Kabra and Mr. Vikram Nirula are eligible for re-election and may stand for election.

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

Statutory Auditors

M/s SHARP & TANNAN ASSOCIATES (Firm Reg. No. 10998-W), Chartered Accountants, statutory auditors of the Company, hold the office until the ensuing Annual General Meeting.

Pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint M/s Sharp & Tannan Associates, Chartered Accountants (ICAI Firm Registration No. 10998W), the retiring Auditors of the Company as Statutory Auditors of the Company from the conclusion of this Annual General Meeting (AGM) till the conclusion of the tenth AGM of the Company to be held in the year 2018 (subject to furnishing the Certificate of their eligibility for re-appointment & subject to ratification of their appointment at every AGM) on such remuneration as may be decided & fixed by the board on the recommendations of the Audit Committee.

AUDITORS' REPORT

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

Internal Control Systems

The Company has a proper and adequate system of internal controls. This ensures that all the transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

An extensive programme of internal audits and management reviews supplements the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal control system has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

The Company also has an Audit Committee, which interacts with the Statutory Auditors, Internal Auditors and the Management in all matters within its terms of references i.e. accounting matters, financial reporting and internal controls. All the recommendations made during the financial year 2013-14, have been accepted by the Board.

Employees

In Terms of the provision of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees as required are set out in the annexure to the Directors' Report.

Conservation of Energy and Technology adoption

IT and IT related services create the edge in all matters, whether Operations, Risk Management, Finance & Accounts, etc. and continues to deploy resources for creating optimal efficiency across the Company .

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

(i) That in preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;

(ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and the profit of the Company for the period;

DIRECTORS' REPORT

(iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Annual Accounts have been prepared on a going concern basis.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings are mainly from Trade Facilitation vertical for its international counter-parties.

During the year under review, the foreign exchange earnings was nil on account of curtailing of the activities from 31.7.2014 as against Rs. 30.67 crores in FY13.

Foreign exchange expenditure on accrual basis and membership fees and interest payments were Rs .12 crores as against Rs .21 crores during FY13.

ACKNOWLEDGEMENTS

The Company acknowledges that the year FY 2013-14 has been an extra-ordinary year in every conceivable way for itself, its Management and its employees. It places on record the deep appreciation to all its stake-holders Directors, Clients, Partner Banks, Authorities etc. who have supported it, reposed confidence, trust and faith in it , thus enabling the Company to continue its leadership position amongst its peers.

We place on record our appreciation for the immense and patient contribution made by our employees at all levels.

Your Company is confident that with similar and continued support, solidarity from all and accompanied by your stewardship, the Company, its management and its employees will achieve far higher accomplishments during the ensuing years.

For and on Behalf of the Board

Anil K. Choudhary
Managing Director & CEO

Pramod Kabra
Director

Place: Mumbai

Date: 26th June, 2014

Annexure A:

Statement pursuant to Section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of employees) Rules, 1975, for the year April1, 2013 to March 31, 2014:

Name	Date of Joining	Age	Qualification	Designation	Experience (No. of years)	CTC (Rs. In lacs)	Last Employment	Designations	% of equity shares held in the Company
Anil K Choudhary	1-Apr-07	53.05	BA(Hons)	MD & CEO	29	150	State Bank of India	DGM	Nil
Santosh Dadheech	19-Feb-09	49.07	B.com / CA – Intermediate	Director-Business Development	26	75	Stewart And Securites Wealth Management -SMIFS Securities Ltd	SVP	Nil

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NATIONAL BULK HANDLING CORPORATION LIMITED

Report on the Financial Statements:

We have audited the accompanying financial statements of **NATIONAL BULK HANDLING CORPORATION LIMITED** ("the Company" or "NBHC"), which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2014;

b) in the case of the Statement of the Profit & Loss, of the loss of the Company for the year ended on that date, and

c) in case of cash flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, we report that:

i We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

iii The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

iv In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September 2013, of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and

v On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

SHARP & TANNAN ASSOCIATES
Chartered Accountants
(ICAI Firm Reg. No. 109983W)
by the hand of

Tirtharaj Khot
Partner
Membership No. (F) 037457

Place: Mumbai
Date : 26th June, 2014

ANNEXURE TO THE AUDITOR'S REPORT

[Referred to in paragraph (1) of our report of even date to the Members of **NATIONAL BULK HANDLING CORPORATION LIMITED** on the financial statements for the year ended on 31st March 2014]

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

b) The Company has carried out physical verification of certain fixed assets during the year as per phased programme. In our opinion, the periodicity of verification is reasonable having regard to the size of the Company and the nature of the assets. The discrepancies with book records have been properly dealt with in the books of account.

c) The Company has not disposed off any substantial part of its fixed assets during the year, so as to affect its going concern status.

(ii) a) The management at reasonable intervals during the year has physically verified inventories.

b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) a) The Company has not granted any loans parties covered in the register maintained under section 301 of the Companies Act, 1956.

b) The company has not taken loans from parties covered in the register maintained under section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchases of inventory and fixed assets, and with regard to the sales of goods and services. Further, on the basis of our examination of the books and records of the company carried out in accordance with the auditing standards generally accepted in India we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

(v) a) In our opinion and according to the information and explanations given to us the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, and those brought to our notice, have been entered in the Register required to be maintained under that section.

b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and in absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA of the Companies Act, 1956 and any other relevant provisions and the rules framed there under apply.

(vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

(viii) We are informed that the Central Government has not prescribed the maintenance of cost records u/s.209 (1) (d) of the Companies Act, 1956 for the products of the company.

(ix) a) According to information and explanations given to us and the records of the Company examined by us during the year, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues as and where applicable to the Company, with appropriate authorities though there have been a slight delay in few cases. According to the information and explanations given to us, there are no undisputed statutory dues as at the year end which are outstanding for a period exceeding six months from the date they became payable.

b) According to the information and explanations given to us, there are no disputed amount payable in respect of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute

(x) The Company did not have accumulated losses as carried forward from the earlier years. However it has incurred cash loss during the financial year covered by our audit that has resulted in the Statement of Profit and Loss as at the year end to have a debit balance. This does not exceed the Company's net worth by more than 50%. The Company did not incur cash loss in the immediately preceding financial year.

(xi) Based on our audit procedure and on the basis of the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of dues to the financial institutions or banks.

(xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore the Company is not required to maintain relevant documents and records.

(xiii) In our opinion the company is not a Chit Funds, Nidhi or Mutual Benefit Fund / Society. Therefore, the provision of clause 4 (xiii) of the Order are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Therefore, the provision of clause 4 (xv) of the Order is not applicable to the Company.

(xvi) Based on the information and explanations given to us by the management term loan raised during the year was applied for the purpose for which the loan was obtained.

ANNEXURE TO THE AUDITOR'S REPORT

[Referred to in paragraph (1) of our report of even date to the Members of **NATIONAL BULK HANDLING CORPORATION LIMITED** on the financial statements for the year ended on 31st March 2014]

(xvii) On the basis of an overall examination of the Balance Sheet of the Company and according to the information and explanations given to us, in our opinion, the Company has not applied funds raised on short-term basis for long term investments.

(xviii) The Company has not made preferential allotment of equity shares to parties and companies covered in the registered maintained under section 301 of the Companies Act, 1956.

(xix) The Company has not issued any debentures during the year.

(xx) The Company has not raised any money by way of public issue during the year.

(xxi) We have been informed that there were two incidents of infidel acts by the staff of the Company at certain warehouses by misappropriating the commodities amounting to Rs.2.13 Crores, held under trust by the Company on behalf of its customers. In both the cases, the matter is under investigation and the Company has lodged claims with the Insurance Company which the Company believes are covered under the policy and hence recoverable. We have neither come across any instance of fraud by the Company, noticed or reported during the year nor have we been informed of any such case.

SHARP & TANNAN ASSOCIATES
Chartered Accountants
(ICAI Firm Reg. No. 109983W)
by the hand of

Tirtharaj Khot
Partner
Membership No. (F) 037457

Place: Mumbai
Date : 26th June, 2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

	Note No.	31st March 2014	31st March 2013
Equities and liabilities			
1 Shareholders' funds:			
(a) Share capital	3	800,000,000	820,000,000
(b) Reserve and surplus	4	(24,378,112)	401,615,004
		775,621,888	**1,221,615,004**
2 Non-current liabilities			
(a) Long-term borrowings	5	75,306,053	91,910,810
(b) Deferred tax liabilities (net)	6	22,461,765	23,122,289
(c) Long-term provisions	7	12,038,554	8,999,591
		109,806,372	**124,032,690**
3 Current liabilities			
(a) Short-term borrowings	8	709,483,566	1,877,487,479
(b) Trade payables	9	190,600,340	120,651,607
(c) Other current liabilities	10	343,711,408	814,368,201
(d) Short-term provisions	11	1,223,549	845,175
		1,245,018,863	**2,813,352,462**
TOTAL		**2,130,447,123**	**4,159,000,156**
Assets			
1 Non-current assets			
(a) Fixed assets:			
(i) Tangible assets	12.A	443,736,336	321,692,296
(ii) Intangible assets	12.B	52,376,572	65,487,650
(iii) Capital work-in-progress		-	7,688,087
		496,112,908	**394,868,033**
(b) Non current Investments	13	291,000	305,000
(c) Long term loans and advances	14	148,612,949	179,352,002
(d) Other non-current assets	15	1,228,447	28,309,267
		150,132,396	**207,966,269**
2 Current assets			
(a) Current investments	16	155,000	75,000
(b) Inventories (at cost)	17	465,061,791	2,543,320,689
(c) Trade receivables	18	361,971,662	663,290,632
(d) Cash and bank balances	19	331,496,011	82,456,098
(e) Short-term loans and advances	20	320,333,990	217,468,466
(f) Other current assets	21	5,183,365	49,554,969
		1,484,201,819	**3,556,165,854**
TOTAL		**2,130,447,123**	**4,159,000,156**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date
For Sharp & Tannan Associates
Chartered Accountants
(ICAI Firm Reg. No. 109983W)

Tirtharaj Khot
Partner
Membership No : (F) 037457

Place : Mumbai
Date : 26-06-2014

For and on behalf of the Board of Directors
National Bulk Handling Corporation Limited

Anil K. Chaudhary
Managing Director & CEO

Pramod Kabra
Director

Rakesh Garg
COO & Company Secretary

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

	Note no.	31st March 2014	31st March 2013
Continuing operations			
Income			
(I) Revenue			
Revenue from operations	22	1,646,961,189	1,562,879,053
Other income	23	49,184,459	36,717,200
Total revenue (I)		**1,696,145,648**	**1,599,596,253**
(II) Expenses			
Employee benefits expenses	25	274,146,013	252,591,945
Operating and other expenses	26	1,647,629,592	946,755,226
Total expenses (II)		**1,921,775,605**	**1,199,347,171**
(III) Earings before interest, tax, depreciation and amortization (EBITDA) (I-II)		(225,629,957)	400,249,082
Depreciation and amortisation expenses	27	52,019,249	50,382,417
Finance costs	28	162,291,607	158,141,396
(IV) Profit before tax		**(439,940,813)**	**191,725,269**
Tax expense / (benefit):			
Current tax expenses (Provision)		6,633,637	54,260,000
MAT credit availed for the year		(4,213,284)	-
MAT credit availed for the prior years		(820,065)	(22,229,679)
Short / (Excess) provision for tax relating to prior years		5,112,539	10,117,269
Net current tax expenses		**6,712,827**	**42,147,590**
Deferred tax		(660,524)	4,566,215
(V) Net tax expense / (benefit)		**6,052,303**	**46,713,805**
(VI) Profit from continuing operations (IV-V)		**(445,993,116)**	**145,011,464**
(VII) Earnings per equity share (of ₹ 10/- each):	29		
Basic			
Computed on the basis of total profit from continuing operations		(5.44)	1.77
Diluted			
Computed on the basis of total profit from continuing operations		(5.44)	1.77
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our attached report of even date
For Sharp & Tannan Associates
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For and on behalf of the Board of Directors
National Bulk Handling Corporation Limited

Anil K. Chaudhary
Managing Director & CEO

Pramod Kabra
Director

Rakesh Garg
COO & Company Secretary

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

Particulars		As at 30 March, 2014	As at 31 March, 2013
A.	**Cash flow from operating activities**		
	Net profit before tax	(439,940,813)	191,725,269
	Adjustments for:		
	Depreciation and amortisation expenses	52,019,249	50,382,417
	Dividend income	-	(42,546)
	Interest expense	162,291,607	153,580,413
	Interest income	(1,551,337)	(5,373,280)
	Net (gain) / loss on sale of investments	-	(436)
	Provisions written back no longer required	(40,304,857)	(19,963,337)
	Profit on sale of fixed assets	(14,720)	(4,999)
	Loss on sale of fixed asset	8,751,226	1,409,304
	Bad Debts and advances written off	73,248,409	82,272,578
	Provision for doubtful trade and other receivables, loans and advances	64,842,749	5,000,021
	Unrealised foreign exchange loss	-	2,926,048
	Net Loss on Foreign Currency Transactions other then considered as Finance cost		-
	Operating profit / (loss) before working capital changes	**(120,658,487)**	**461,911,452**
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Decrease / (Increase) in Inventories	2,078,258,898	(1,157,710,315)
	Decrease / (Increase) in other current assets	43,816,940	(18,393,438)
	Decrease / (Increase) in other Non current assets	26,052,937	(25,289,459)
	Decrease / (Increase) in trade receivables	203,532,669	(403,950,617)
	Decrease / (Increase) in Long Term Loans and Advances	30,739,053	(19,325,222)
	Decrease / (Increase) in Short Term Loans and Advances	9,376,861	(44,120,317)
	Adjustments for increase / (decrease) in operating liabilities:		
	Increase / (Decrease) in Trade Payables	69,948,733	6,055,366
	Increase / (Decrease) in current liabilities & provisions	(470,656,793)	440,866,843
	Increase / (Decrease) in current provisions	378,374	(365,014)
	Increase / (Decrease) in Non current provisions	3,038,963	456,476
	Cash generated from operations	**1,873,828,148**	**(759,864,245)**
	Income taxes paid (net of refunds)	(117,926,635)	(34,925,262)
	Net cash flow from / (used in) operating activities (A)	**1,755,901,513**	**(794,789,507)**
B.	**Cash flow from investing activities**		
	Purchase of fixed assets (including intangible assets, Capital working progress)	(162,478,257)	(90,893,074)
	(Purchase of fixed assets, including intangible assets, CWIP)		
	Proceeds from sale of fixed assets	477,627	737,364
	Current investments not considered as Cash and cash equivalents		
	- Purchased	(66,000)	(73,000)
	- Proceeds from sale	-	3,274,451
	- Investments in bank deposits (having original maturity of more than three months) net	(265,012,188)	(23,248,087)
	Interest received	2,105,307	4,178,306
	Dividend received	-	42,546
	Net cash flow from / (used in) investing activities (B)	**(424,973,511)**	**(105,981,494)**

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

Particulars	As at 30 March, 2014	As at 31 March, 2013
C. Cash flow from financing activities		
Proceeds from short-term borrowings	632,962,261	2,993,928,075
Repayment of long-term borrowings	(16,604,757)	38,436,256
Proceeds / repayment of short-term borrowings - Net	(1,800,966,174)	(2,003,028,301)
Interest expenses	(162,291,607)	(153,580,413)
Net cash flow from / (used in) financing activities (C)	**(1,346,900,277)**	**875,755,617**
Net (decrease) / increase in Cash and cash equivalents (A+B+C)	**(15,972,275)**	**(25,015,384)**
Cash and cash equivalents at the beginning of the year	57,056,098	82,071,482
Cash and cash equivalents at the end of the year	41,083,823	57,056,098
	15,972,275	25,015,384
Notes to cash flow statement:		
1. Cash and cash equivalents at the end of the year		
(a) Cash on hand	26,462	20,428
(b) Cheques, drafts on hand	6,102,370	14,152,288
(c) Balances with banks		
(i) In current accounts	34,954,991	19,383,382
(ii) In other deposit accounts - original maturity of 3 months or less	-	23,500,000
	41,083,823	**57,056,098**

As per our attached report of even date
For Sharp & Tannan Associates
Chartered Accountants
(ICAI Firm Reg. No. 109983W)

Tirtharaj Khot
Partner
Membership No : (F) 037457

Place : Mumbai
Date : 26-06-2014

For and on behalf of the Board of Directors
National Bulk Handling Corporation Limited

Anil K. Chaudhary
Managing Director & CEO

Pramod Kabra
Director

Rakesh Garg
COO & Company Secretary

NOTES to financial statements for the year ended 31st March, 2014

1 Corporate Information

National Bulk Handling Corporation Ltd. (NBHC) is an ISO 9001: 2000 and ISO 22000:2005 certified company and a national-level end-to-end solution provider in warehousing and bulk handling, grading and inspection, commodity care and pest management, collateral management, procurement and disposal of commodities, warehouse audit and accreditation, and commodity valuation. The company's inherent business philosophy is to provide a professional, single-window, convenient, customized, economical, and value-added service experience (both financially and operationally) to all clients and business associates. NBHC services are designed to add value to commodities and are accessible to a wide spread of clientele right from small and marginal farmers to global corporate.

2 Basis of Preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of Significant accounting policies

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The company has used the following rates to provide depreciation on its fixed assets.

ASSETS	RATE (SLM)
Godown Building	1.63%
Furniture & Fixtures	6.33%
Vehicles	11.31%
Office Equipment's	4.75%
Computer Hardware	16.21%

Leasehold improvements are depreciated over a period of the lease.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

NOTES to financial statements for the year ended 31st March, 2014

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

ASSETS	RATE (SLM)
Trademarks	10.00%
Computer Software	16.66%

e) Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating leases payments are recognized as an expense in the statement of profit and loss on a straight line basis over the period of lease term.

f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g) Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

h) Investment

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Inventories

Inventories of Raw Material are valued at Cost on FIFO basis.

Finished Goods are valued at Lower of cost or Net Realizable Value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Stores, Spares and Consumables are stated at cost. In case of defective and obsolete items, due allowance is estimated and provided for wherever necessary.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Fumigation sheets and dunnage have a useful life of three years and two years respectively, as per representation made by Management. Accordingly cost of fumigation sheets and dunnages are being written off over a period of 3 years and 2 years respectively from the date of put to use.

j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

<u>Sale of Goods</u>

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The company collects sales taxes, excise duty and value added taxes (VAT) on behalf of the government and , therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duties deducted from the turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arouse during the year.

<u>Income from Services</u>

Revenues are recognized on an accrual basis, as and when services are rendered. The company collects service tax on behalf of the government and , therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

<u>Interest</u>

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head “Other Income” in the statement of profit and loss.

<u>Dividends</u>

Dividend income is recognized when the company’s right to receive dividend is established by the reporting date.

k) Foreign currency translation

Foreign currency transactions and balances

(i) Initial Recognition

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

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Difference

Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the company treats a foreign monetary item as “long –term foreign currency monetary item”, if it has a term of 12 months or more at the date of its origination.

All other exchange differences are recognized as income or as expenses in the period in which they arise.

l) Derivative instruments

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

NOTES to financial statements for the year ended 31st March, 2014

m) Retirement and other employee benefits

i) Retirement benefits in the form of Provident Fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of Profit and Loss Account for the year when the contributions are due. The company has no obligation; other than the contribution payable to the provident fund.

ii) Gratuity liability is defined benefit obligations and are provided for on the basis of made at the end of each financial year. Actuarial gains/losses are recognized in full in the period in which they occur

iii) Accumulated leave which is expected to be utilized within the next 12 months , is treated as short term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

iv) The company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

n) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

o) Segment Reporting Policies

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Company's business segments are as under :

a) **Storage & allied services:** Includes storages of agricultural and non- agricultural, fumigation, testing, quality certification, funding through collateral management.

b) **Trade Facilitation:** It includes providing services for procurement of commodities on behalf of the customers(including grading, sorting, warehousing etc.) of the commodities and sale the same at a future date.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocated items includes general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies:

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

p) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Provisions

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

r) Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

s) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

t) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

3	SHARE CAPITAL	31st March 2014	31st March 2013
	Authorised Shares		
	140,000,000 (previous year: 140,000,000) Equity Shares of ₹10/- each	1,400,000,000	1,400,000,000
	Issued, subscribed and fully paid-up shares		
	80,000,000 (previous year: 80,000,000) Equity Shares of ₹10/- each	800,000,000	800,000,000
	Issued, subscribed but not fully paid-up shares		
	Nil (previous year: 20,000,000) Equity Shares of ₹10/- each (Re. 1/- called and paid up)	-	20,000,000
	(Refer note below)		
	Total issued, subscirbed and paid-up share capital	**800,000,000**	**820,000,000**

Notes:

a. Forfeiture of shares

As per the resolution passed in the Board Meeting held on March 08, 2014 to make final call on 2,00,00,000 partly paid up equity shares of the Company, held in the name of two beneficial owners for FT Foundation (AOP). The Company has issued notice to the concerned shareholder on March 08, 2014 for payment of call money on or before March 26, 2014. The Company has received letter dated March 10, 2014 from concerned shareholder intimating their inability to pay ₹18,00,00,000/- call money on above referred partly paid up shares by March 26, 2014. Accordingly board has decided on March 13, 2014, to forfeit these partly paid up shares. By this forfeiture, paid up share capital of the Company stands reduced from ₹82,00,00,000 (Rupees Eight Two Crores) to ₹80,00,00,000/- (Rupees Eighty Crores) and amount of Rs. 1/- per forfeited shares amounting to ₹2,00,00,000/- transferred to capital reserve account from paid up share capital.

b. Reconciliation of shares outstanding at beginning and end of reporting period

	31st March 2014		31st March 2013	
	Nos.	₹	Nos.	₹
At the beginning of the period	100,000,000	820,000,000	100,000,000	820,000,000
Issued during the period - Bonus issue	-	-	-	-
Issued during the period - ESOP	-	-	-	-
Less: Forfeiture of shares during the year	(20,000,000)	(20,000,000)		
Outstanding at the end of the period	**80,000,000**	**800,000,000**	**100,000,000**	**820,000,000**

c. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d. Shares held by holding Company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its holding Company is as below:

(in ₹)

	31st March 2014	31st March 2013
Financial Technologies India Limited, the holding Company	760,000,000	760,000,000
76,000,000 (previous year : 76,000,000) equity shares of ₹10/- each fully paid	**760,000,000**	**760,000,000**

e. Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2014		As at 31 March 2013	
	No.of shares	% of holding	No.of shares	% of holding
Financial Technologies India Limited	76,000,000	95.00%	76,000,000	76.00%
FT Foundation	-	0.00%	20,000,000	20.00%
	76,000,000	**95.00%**	**96,000,000**	**96.00%**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

4	RESERVES AND SURPLUS	31st March 2014	31st March 2013
	Capital Reserve:		
	Opening Balance	-	-
	Add: Created during the year- Foreiture of partly paid up shares	20,000,000	-
	Less: Used during the year	-	-
		20,000,000	**-**
	Surplus/(Deficit) in the Statement of Profit and Loss		
	Opening Balance	401,615,004	256,603,540
	Add: profit/(Loss) for the year	(445,993,116)	145,011,464
	Net surplus/(Deficit) in the Statement of Profit and Loss	**(44,378,112)**	**401,615,004**
	Total Reserves and Surplus	**(24,378,112)**	**401,615,004**

(in ₹)

5	LONG-TERM BORROWINGS	Non-current portion	
		31st March 2014	31st March 2013
	Term loans (secured)		
	Indian rupee loan from banks	36,371,420	45,626,185
	Term loans I & II (refer note: a)	38,934,633	46,284,625
	Term loans III & IV (refer note: b)	**75,306,053**	**91,910,810**
		Current maturities	
	Current maturites of term loan	**31st March 2014**	**31st March 2013**
	Term loans I & II (refer note: a)	8,542,860	8,542,860
	Term loans III & IV (refer note: b)	6,784,608	6,784,608
	Amount disclosed under the head "other current liabilities"	**15,327,468**	**15,327,468**
	(refer Note 10)	(15,327,468)	(15,327,468)
		-	**-**

Notes :

a. In respect of term loan no I and II, Indian rupee loan from Axis Bank was taken during the financial year 2011-2012 and carries interest @ 10.25 % p.a. fixed for the tenor of loan. The principal amount of loan is payable in 84 equal monthly installments of ₹711,905/- effective 30.04.2012. Interest is to be serviced separately as and when applied. (In case of term loan in lieu of subsidy: Bullet payment to be made on the date coinciding with date of final installment for parent term loan. The loan is secured primarirly : exclusive first charge on all the movable and immovable assets including land, bulilding and other movable fixed assets created out of the financed term loan. Collateral: extension of charge on the assets created out of other term loans.)

b. In respect of term loan no III and IV, Indian rupee loan from Axis Bank is taken on 31.10.2012, during the financial year 2012-2013 and carries interest @ 10.25% p.a. fixed for the tenor of loan. The principal amount of loan is payable in 78 equal monthly installments of ₹565,384/- w.e.f. 31.01.2013. Interest is to be serviced separately as and when applied. (In case of term loan in lieu of subsidy: Bullet payment to be made on the date coinciding with date of final installment for parent term loan. The loan is secured primarirly : exclusive first charge on all the movable and immovable assets including land, bulilding and other movable fixed assets created out of the financed term loan. Collateral: extension of charge on the assets created out of other term loans.

(in ₹)

6	DEFERRED TAX LIABILITY (NET)	31st March 2014	31st March 2013
	Deferred tax liability		
	Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	22,461,765	23,122,289
	Deferred tax liability		
	Total	**22,461,765**	**23,122,289**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
7	**LONG-TERM PROVISIONS**		
	Provision for employee benefits:		
	Provision for gratuity	2,290,831	1,340,718
	Provision for leave benefits	9,747,723	7,658,873
		12,038,554	**8,999,591**
8	**SHORT-TERM BORROWINGS**		
	Loans repayable on demand		
	from banks (secured)		
	in indian rupees		
	on account of cash credit from		
	HDFC Bank (refer note: a)	-	27,322,895
	ICICI Bank (refer note:b)	-	220,092,253
	against warehouse receipt from		
	ICICI Bank (refer note: c)	-	297,552,847
	Ratnakar Bank (refer note: d)	-	193,820,474
	Yes Bank (refer note: e)	173,631,974	-
	other loans from		
	Yes Bank (refer note: f)	76,521,305	950,000,000
	in Foreign currency		
	buyers credit from		
	HDFC Bank - (refer note: g)	-	102,560,107
	ICICI Bank - (refer note: h)	-	86,138,903
	other loans from (Unsecured)		
	Financial Technologies (India) Ltd (refer note i)	459,330,287	-
	Total	**709,483,566**	**1,877,487,479**

Notes:

(a) Cash Credit loan is taken from HDFC Bank, this loan is payable on demand & carries interest rate of 10.75%. This loan is secured by-Pari-passu charge on the current assets of the Company by way of hypothication.

(b) Cash Credit loan is taken from ICICI Bank, this loan is payable on demand & carries interest of 11%. This loan is secured by-Pari-passu charge on the current assets of the Company by way of hypothication.

(c) Short term loan is taken from ICICI Bank, this loans is for the tenor between 180-270 days & carries interest rate of 11%. This loan is secured by- Pledge of specific agro commodities Warehouse Receipts.

(d) Short term loan is taken from Ratnakar Bank Ltd, this loan is for the tenor between 180-270 days & carries interest rate of 11.25%. This loans is secured Primary by- Pledge of specific agro commodities, Warehouse Receipts.

(e) Short term loan is taken from Yes Bank , this loan is for the tenor between 180-270 days & carries interest rate of 10.75%. This loans is secured Primary by- Pledge of specific agro commodities, Warehouse Receipts.

(f) Short term loans taken form Yes Bank, this loan is for the tenor between 90 to 180 days & carries interest of 10.75%. This loan is secured by-Pari-passu charge on the current assets of the Company.

(g) Buyers Credit loan was taken from HDFC Bank, in US Dollars, this loan is for the tenor between 60 to 90 days and carries interest of 1.9050%. This loan is secured by-Pari-passu charge on the current assets of the Company.

(h) Buyers Credit loan was taken from ICICI Bank, in US Dollars, this loan is for the tenor between 60 to 90 days and carries interest of 0.77%. This loan is secured by-Pari-passu charge on the current assets of the Company.

(i) Unsecured Inter corporate loan is taken from Financial Technologies (India) Ltd, holding Company, this loan is payable on demand and carries interest at the bank rate.

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

9	TRADE PAYABLES	31st March 2014	31st March 2013
	Trade payables		
	Trade payables (including acceptances) (refer note 35 for details of dues to micro and small enterprises)	190,600,340	120,651,607
	Total	**190,600,340**	**120,651,607**
10	**OTHER CURRENT LIABILITIES**		
	Current maturities of long-term borrowings (refer note 5)	15,327,468	15,327,468
	Interest accrued and due on borrowings	940,914	3,115,761
	Interest accrued but not due on borrowings	-	1,842,866
	Other payables		
	Advances from customers	269,403,865	751,925,484
	Statutory remittances (Contributions to PF and ESIC, Withholding Taxes,VAT, Service Tax, etc.)	19,600,320	25,896,424
	Contractually reimbursable expenses	38,438,841	16,260,198
	Total	**343,711,408**	**814,368,201**
11	**SHORT-TERM PROVISIONS**		
	Provision for employee benefits:		
	Provision for leave benefits	1,223,549	845,175
	Total	**1,223,549**	**845,175**

NOTES to financial statements for the year ended 31st March, 2014

12 A. Tangible assets

(in ₹)

Particulars	Land	Leaseholds-Land-Freehold	Buildings	Plant and equipment	Computer hardware	Office equipment	Fumigation equipment	Laboratory equipment	Furnitures and fixtures	Vehicles	Leasehold impro-vements	Total
Cost or valuation												
At 1 April 2012	**53,544,360**	**-**	**117,773,072**	**3,390,788**	**28,716,281**	**31,408,362**	**7,884,237**	**20,760,672**	**12,947,220**	**10,390,881**	**29,949,752**	**316,765,625**
Additions		33,605,596	33,384,476	134,568	2,314,973	1,337,051	915,387	2,104,105	115,783	-	36,799	73,948,738
Disposals	-	-	-	-	(2,846,450)	(397,586)	(39,004)	-	(154,435)	(2,249,742)	-	(5,687,217)
Other adjustments												-
- Exchange differences												
- Borrowing costs	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2013	**53,544,360**	**33,605,596**	**151,157,548**	**3,525,356**	**28,184,804**	**32,347,827**	**8,760,620**	**22,864,777**	**12,908,568**	**8,141,139**	**29,986,551**	**385,027,146**
Additions		2,036,200	139,545,709	666,826	1,623,832	1,625,579	584,301	2,089,408	343,706	-	130,000	148,645,561
Disposals	-	-	-	-	(11,560,897)	(6,542,541)	(947,396)	(938,872)	(4,712,373)	(2,589,598)	(3,775,056)	(31,066,733)
Other adjustments												
- Exchange differences	-	-	-	-	-	-	-	-	-	-	-	-
- Borrowing costs	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2014	**53,544,360**	**35,641,796**	**290,703,257**	**4,192,182**	**18,247,739**	**27,430,865**	**8,397,525**	**24,015,313**	**8,539,901**	**5,551,541**	**26,341,495**	**502,605,974**
Depreciation												
At 1 April 2012	-	-	2,175,100	243,765	18,120,043	5,959,595	2,573,704	4,518,896	5,014,750	3,551,573	6,619,080	48,776,506
Charge for the year		330,150	2,161,870	163,946	4,425,982	1,739,552	582,181	1,288,595	724,013	1,053,104	5,586,819	18,056,212
Disposals	-	-	-	-	(2,446,497)	(20,196)	-	-	(112,438)	(918,737)	-	(3,497,868)
At 31 March 2013	**-**	**330,150**	**4,336,970**	**407,711**	**20,099,528**	**7,678,951**	**3,155,885**	**5,807,491**	**5,626,325**	**3,685,940**	**12,205,899**	**63,334,850**
Charge for the year	-	343,174	2,538,556	170,363	4,203,723	1,916,151	623,214	1,258,898	843,653	798,680	5,588,558	18,284,970
Disposals	-	-	-	-	(11,040,010)	(2,766,308)	(722,461)	(471,470)	(2,655,984)	(1,318,900)	(3,775,049)	(22,750,182)
At 31 March 2014	**-**	**673,324**	**6,875,526**	**578,074**	**13,263,241**	**6,828,794**	**3,056,638**	**6,594,919**	**3,813,994**	**3,165,720**	**14,019,408**	**58,869,638**
Net Block												
At 31 March 2013	**53,544,360**	**33,275,446**	**146,820,578**	**3,117,645**	**8,085,276**	**24,668,876**	**5,604,735**	**17,057,286**	**7,282,243**	**4,455,199**	**17,780,652**	**321,692,296**
At 31 March 2014	53,544,360	34,968,472	283,827,731	3,614,108	4,984,498	20,602,071	5,340,887	17,420,394	4,725,907	2,385,821	12,322,087	443,736,336

Particulars	Capital Working Progress
Cost or valuation	**7,688,087**
At 1 April 2013	128,878,549
Additions	-
Disposals	(136,566,636)
Captalized / Transfer	
- Exchange differences	
- Borrowing costs	-
At 31 March 2014	**-**

NOTES to financial statements for the year ended 31st March, 2014

12	B. INTANGIBLE ASSETS	Patents and trademarks	Computer software	Total
	Cost or valuation			
	At 1 April 2012	**109,200**	**115,244,476**	**115,353,676**
	Purchase	-	9,605,029	9,605,029
	Disposals		-	-
	Internal development	**-**	**-**	**-**
	At 31 March 2013	**109,200**	**124,849,505**	**124,958,705**
	Purchase	-	7,569,509	7,569,509
	Disposals	-	-	-
	At 31 March 2014	**109,200**	**132,419,014**	**132,528,214**
	Amortization			2,036,200
	AT 1 APRIL 2012	**62,958**	**40,621,213**	**40,684,171**
	Charge for the year	10,920	19,272,446	19,283,366
	Disposals		(496,482)	(496,482)
	At 31 March 2013	**73,878**	**59,397,177**	**59,471,055**
	Charge for the year	10,920	20,669,667	20,680,587
	Disposals		-	-
	At 31 March 2014	**84,798**	**80,066,844**	**80,151,642**
	Net Block			
	At 31 March 2013	**35,322**	**65,452,328**	**65,487,650**
	At 31 March 2014	**24,402**	**52,352,170**	**52,376,572**

(in ₹)

13	NON-CURRENT INVESTMENTS	31st March 2014	31st March 2013
	Non-trade investments (valued at cost unless stated otherwise)		
	Government and trust securities (unquoted)		
	National Savings Certificate (Pledged with APMC)	291,000	305,000
	Total	**291,000**	**305,000**
	Aggregate amount of unquoted investments	**291,000**	**305,000**
14	**LONG-TERM LOANS AND ADVANCES**		
	Unsecured considered good unless otherwise stated		
	Capital advances		
	Unsecured, considered good	134,684,724	165,382,958
	(Refer Note 40)		
		134,684,724	**165,382,958**
	Security deposits		
	Unsecured, considered good	13,352,615	13,630,763
		13,352,615	**13,630,763**
	Advance recoverable in cash or kind		
	Unsecured, considered good	227,912	227,912
		227,912	227,912
	Other Loans and advances		
	Prepaid Expenses	347,698	110,369
	Total	**148,612,949**	**179,352,002**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

15 OTHER NON-CURRENT ASSETS	31st March 2014	31st March 2013
Unsecured, considered good unless stated otherwise		
Deposits with original maturity for more than 12 months (refer note 19)	971,522	27,024,459
	971,522	**27,024,459**
Interest accrued on deposits	213,321	1,232,329
Interest accrued on investments	43,604	52,479
	256,925	1,284,808
Total	**1,228,447**	**28,309,267**
16 CURRENT INVESTMENTS		
Current Investments (Valued at lower of cost and fair value, unless stated otherwise)		
unquoted government or trust securities		
National saving certificate (Pledged with APMC)	155,000	75,000
	155,000	**75,000**
Aggregate amount of unquoted investments	**155,000**	**75,000**
17 INVENTORIES (VALUED AT LOWER OF COST AND NET REALIZABLE VALUE)		
Traded goods (refer note 24a)	442,469,162	2,516,166,210
Stores and spares	22,592,629	27,154,479
Total	**465,061,791**	**2,543,320,689**
18 TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	-	1,305,952
Doubtful	77,032,137	51,517,497
	77,032,137	**52,823,449**
Less: Provision for doubtful trade receivables*	77,032,137	51,517,497
	-	**1,305,952**
Other Trade receivables		
Unsecured, considered good (including unbilled income)	361,971,662	661,984,680
	361,971,662	**661,984,680**
Total	**361,971,662**	**663,290,632**

(*) Includes Rs. 152,761/- pertaining to National Spot Exchange Ltd.

(in ₹)

19 CASH AND BANK BALANCES	Non Current		Current	
	31 March, 2014	31 March, 2013	31 March, 2014	31 March, 2013
Cash and cash equivalents				
Balances with banks				
In current accounts			34,954,991	19,383,382
"In other deposit accounts original maturity of 3 months or less"			-	23,500,000
Cheques, drafts on hand			6,102,370	14,152,288
Cash on hand			26,462	20,428
	-	**-**	**41,083,823**	**57,056,098**
Other bank balances				
"In other deposit accounts				
- original maturity more than 3 months	-	-	290,412,188	25,400,000
- but less than 12 months				
- original maturity more than 12 months	971,522	27,024,459	-	-
Total - Other bank balances	**971,522**	**27,024,459**	**290,412,188**	**25,400,000**
Amount disclosed under non current assets(refer note 15)	(971,522)	(27,024,459)		
Total Cash and bank balances	**-**	**-**	**331,496,011**	**82,456,098**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
20	**SHORT-TERM LOANS AND ADVANCES**	**31st March 2014**	**31st March 2013**
	Unsecured, considered good unless stated otherwise		
	Security deposits	8,778,947	4,835,684
	Others (Advance recoverable in cash or kind)		
	Unsecured, considered doubtful	427,500,000	-
	Unsecured, considered good	37,425,069	46,304,454
		464,925,069	**46,304,454**
	Less: Provision for doubtful advances	427,500,000	-
		37,425,069	**46,304,454**
	Other Loans and advances		
	Loans and advances to employees	3,890,340	2,851,134
	Prepaid expenses	15,895,795	20,122,570
	Balances with government authorities	12,290,177	13,543,347
	MAT Credit entitlement	15,552,476	18,945,695
	Advance income-tax (net of provision for taxation)	226,501,186	110,865,582
	Total	**320,333,990**	**217,468,466**
21	**OTHER CURRENT ASSETS**		
	Unsecured, considered good unless stated otherwise		
	Accrued Income	4,154,788	49,000,305
	Others		
	Interest accrued on deposits	946,269	515,614
	Interest accrued on investments	82,308	39,050
	Total	**5,183,365**	**49,554,969**
22	**REVENUE FROM OPERATIONS**		
	Revenue from operations		
	Sale of products		
	Traded goods	8,085,499,009	6,102,404,635
	Less: Cost of goods sold (refer note 24)	(8,039,444,083)	(5,988,618,440)
		46,054,926	113,786,195
	Sale of services (refer note “a” below)	1,600,906,263	1,449,092,858
	Revenue from operations	**1,646,961,189**	**1,562,879,053**
	Note:		
	a. Details of services rendered		
	Warehousing & Storage services	1,222,350,131	1,069,393,661
	Fumigation Income	158,465,277	143,663,709
	Commodity handling charges	210,286,395	219,926,714
	Others	9,804,460	16,108,774
		1,600,906,263	**1,449,092,858**
23	**OTHER INCOME**		
	Other Income		
	Interest income (refer note "a" below)	1,551,337	10,844,389
	Dividend income from curent investments	-	42,546
	Net gain on sale of current investments	-	436
	Other non-operating income (refer note b below)	47,633,122	25,829,829
	Total	**49,184,459**	**36,717,200**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

			31st March 2014	31st March 2013
	Note:			
	a.	**Interest income**		
		Interest from banks on deposits	1,516,465	5,325,369
		Interest on loans and advances	489	22,714
		Interest income from long-term investments -NSC	34,383	25,197
		Interest on income tax refund	-	5,471,109
		Total - Interest income	**1,551,337**	**10,844,389**
	b.	**Other non-operating income**		
		Rental income from operating leases	733,266	469,062
		Profit on sale of fixed assets	14,720	4,999
		Provisions written back/no longer required	40,304,857	19,963,337
		Miscellaneous income	6,580,279	5,392,431
		Total - Other non-operating income	**47,633,122**	**25,829,829**
24	A.	**(INCREASE) / DECREASE IN INVENTORIES**		
		Inventories at the end of the year:		
		Traded goods	442,469,162	2,516,166,210
		Packing Material	-	-
			442,469,162	**2,516,166,210**
		Inventories at the beginning of the year:		
		Traded goods	2,516,166,210	1,348,093,030
		Packing Material	-	1,379,332
			2,516,166,210	**1,349,472,362**
		Net (increase) / decrease	**2,073,697,048**	**(1,166,693,848)**
	B.	**DETAILS OF PURCHASE OF TRADED GOODS**		
		Traded goods	5,965,747,035	7,155,312,288
			5,965,747,035	**7,155,312,288**
		Cost of goods sold 24(a+b)	**8,039,444,083**	**5,988,618,440**
		Details of Purchase of traded goods		
		Almonds	50,156,450	39,988,600
		Black Gram	-	10,554,570
		Bajra	-	33,847,331
		Barley	142,799,358	235,889,288
		Cardamom	45,744,180	231,480,682
		Castor Seed	-	174,576,101
		Chana	723,445,576	359,894,931
		Chick Peas	331,382,255	719,334,842
		Cloves	-	21,651,550
		Cotton	-	233,926,733
		Cotton Bales	2,058,764,402	1,071,906,169
		Cottonseed Oil Cake	239,362,244	149,454,212
		Iron	42,397,194	140,615,821
		Iron Ore	-	20,248,064
		Iron Scrap	-	25,070,593
		Fertilizer Complex Npk	24,390,477	16,739,995
		Guar Seed	751,500	201,262,366

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
	Maize	67,298,088	93,689,411
	Mustard	20,204,578	-
	Masoor	17,591,390	33,313,998
	Mild Steel Billets	99,664,246	9,336,597
	Paddy	13,715,780	446,136,685
	Poppy Seed	-	71,353,000
	Pista	30,037,500	44,978,400
	Rice	-	123,000
	Soyabean	42,759,568	845,505,459
	Sugar	939,490,497	169,693,764
	Wheat	270,349,105	113,925,123
	Yellow Peas	481,989,108	1,477,974,408
	Packing Material	-	1,685,902
	Others	-	7,908,045
	Sponge Iron	-	7,811,236
	Steel Plate	20,202,493	55,296,064
	Toluene	-	74,274,147
	Butter	116,123,000	-
	Cumin / Jeera Whole	148,500	-
	Cassia Bark	750,000	-
	Dates	2,134,375	-
	Ginger	7,095,960	-
	Jaifal / Nutmeg	78,274,768	-
	Khesari	2,942,832	-
	Kidney Beans	69,426,180	-
	Focus Product Scheme License	3,618,699	-
	Star Aniseed	4,855,375	-
	Red Gram(Toor)	-	15,865,200
	Foreign Exchange Rate Difference	16,934,112	-
	Ginning And Pressing Expenses	947,245	-
		5,965,747,035	**7,155,312,287**
25	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and wages	231,024,414	217,257,704
	Director's Remuneration	16,803,343	9,228,239
	Contributions to provident fund	11,086,500	11,572,881
	Gratuity Expenses (refer note 30)	3,343,751	2,655,191
	Leave Encashment Expenses	3,991,670	2,227,204
	Staff welfare expenses	7,896,335	9,650,726
	Total	**274,146,013**	**252,591,945**
26	**OPERATING AND OTHER EXPENSES**		
	Consumption of stores and spare parts	60,121,752	65,934,670
	Electricity charges	8,106,068	7,254,781
	Rent and service charges	623,801,640	445,355,693
	Repairs and maintenance		
	- Buildings	555,948	1,313,413
	- Others	4,917,717	4,057,644

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

	31st March 2014	31st March 2013
Insurance charges	29,351,004	27,179,306
Contract labour charges	133,741,461	101,284,633
Security charges	50,308,384	45,542,716
Handling & transportation	7,651,583	31,350,933
Rates and taxes	906,905	2,579,478
Communication expenses	13,724,321	13,217,680
Difference in Quantity & Quality	23,680,301	-
Travelling and conveyance	32,120,798	28,609,530
Printing and stationery	4,565,088	4,050,657
Legal and professional	23,216,568	29,358,672
Payments to auditors (refer note below)	1,948,741	2,028,547
Bad Debts and advances written off	73,248,409	82,272,579
Brokerage and Commission expenses	9,892,494	4,308,960
Donations given	2,500,000	-
License Fees	3,953,972	4,094,575
Net loss/(gain) on foreign currency transactions and translation	-	3,559,655
Loss on fixed assets sold / scrapped / written off	8,751,226	1,409,304
Provision for advances given to Vendor written off	427,500,000	-
Provision for doubtful debts and trade receivables	64,842,749	5,000,021
Miscellaneous expenses	38,222,463	36,991,780
(includes lab and testing charges, shifting expenses, office expenses, fumigation consumables etc.)		
Total	**1,647,629,592**	**946,755,226**
OTHER EXPENSES		
Payment to auditor		
(a) To statutory auditors		
For audit	1,810,919	1,400,000
For taxation matters	-	293,500
For other services	-	275,743
Reimbursement of expenses	137,822	59,304
Total	**1,948,741**	**2,028,547**
Rounding off-General-	30	-
ROC Fees Expenses	10,897	9,086
Office Expenses (Reverse charge)	-	378,687
Rounding off-General	4,316	-14,835
Registration Fees	88,640	29,100
Training expenses	26,546	102,318
Books & periodicals expenses	37,095	36,762
Professional tax	31,093	43,832
Xerox Charges	65,337	51,149
Directors sitting fees	89,888	30,000
Advertisement Exps.	26,363	188,378
Transport Expenses (Reverse charge)	344,458	197,484
Reimb of auditors expenses-Others	-	136,975
Stamp Duty Charges	663,703	709,160
Laboratory Consumable Expenses	599,628	353,179
Subscription & membership	303,941	394,058
Sales promotion expenses	1,249,305	564,668
QC Expenses	535,237	484,186

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
	Repairs to machinery	400,835	46,875
	Inward freight and delivery charges	572,028	659,176
	Seminar & conference expenses	278,281	28,455
	Warehouse Shifting Expenses	1,385,626	5,782,738
	Security service charges	1,356,722	926,835
	Commission to Lead Prov	3,023,764	3,231,141
	Hire Charges	-	176,000
	Fumigation Expenses	1,409,189	1,229,878
	Recruitment Charges	1,243,574	331,152
	Warehouse Expense	2,939,035	1,739,544
	Prior period expenses	3,421,028	448,601
	LAB & Testing Charges	2,409,474	2,874,374
	Water charges	-	4,500
	Brokerage expenses-oth	-	56,835
	Fumigation Consumable Expenses	3,327,009	2,269,324
	Other misc expenses	21,532	-8,755
	Octroi expenses	-	6,770
	Office expenses	5,757,286	6,285,391
	Business Support Charges	6,600,603	7,208,767
		38,222,463	**36,991,786**
27	**DEPRECIATION AND AMORTISATION EXPENSES**		
	Depreciation and amortisation for the year on tangible assets (refer note 12 A)	18,284,969	18,059,631
	Amortisation for the year on consumables	13,053,693	13,039,419
	Amortisation for the year on intangible assets (refer note 12 B)	20,680,587	19,283,367
		52,019,249	**50,382,417**
28	**FINANCE COSTS**		
	Interest expense on : borrowing		
	Interest paid to bank	127,407,283	153,580,413
	Interest charges-Others	32,691,114	-
	Others	12,677	307,278
	Bank Charges	2,180,533	4,253,705
	Total	**162,291,607**	**158,141,396**
29	**EARNING PER SHARE (EPS)**		
	Total Operation for the year		
	Profit after tax	(445,993,116)	145,011,464
	Less: Dividend on convertible preference shares & tax thereon	-	-
	Net profit for calculation of basic EPS	**(445,993,116)**	**145,011,464**
	Add: Dividend on convertible preference shares & tax thereon	-	-
	Add: Interest on bonds convertible into equity shares & tax thereon	-	-
	Net profit for calculation of diluted EPS	**(445,993,116)**	**145,011,464**
	Weighted average number of equity shares in calculating basic EPS	82,000,000	82,000,000
	Weighted average number of equity shares in calculating basic EPS	**82,000,000**	**82,000,000**
	Earning per share basic and diluted	(5.44)	1.77
	Nominal value per share	10/-	10/-

NOTES to financial statements for the year ended 31st March, 2014

30 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

The company operates defined gratuity plan ,for its employees. Under the gratuity plan, every employee who has completed atleast five year of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

(in ₹)

	Gratuity	
	31st March 2014	**31st March 2013**
Current service cost	3,758,664	3,516,599
Interest cost on benefit obligation	1,099,003	966,787
Expected return on plan assets	(1,042,306)	(971,122)
Net actuarial (gain) / loss recognized in the year	(471,610)	(857,074)
Net benefit expense	**3,343,751**	**2,655,190**
Actual return on plan assets	**60,541**	**108,513**
Balance sheet		
Benefit asset/liability		
Present value of defined benefit obligation	(15,470,476)	(13,321,252)
Fair Value of plan assets	13,179,645	11,980,534
Plan asset / (liability)	**(2,290,831)**	**(1,340,718)**
Changes in the present value of the defined benefit obligation are as follows :		
Opening defined benefit obligation	13,321,252	11,048,993
Current service cost	3,758,664	3,516,599
interest cost	1,099,003	966,787
Benefits paid	(2,297,374)	(1,462,566)
Actuarial (gains) / losses on obligation	(411,069)	(748,561)
Closing defined benefit obligation	**15,470,476**	**13,321,252**
Changes in the fair value of plan assets are as follows		
Opening fair value of plan assets	11,980,534	11,292,111
Expected return	1,042,306	971,122
Contribution by employee	2,393,638	1,210,297
Transfer to Other Company	-	(138,943)
Benefits paid	(2,297,374)	(1,462,566)
Actuarial paid	-	-
Actuarial gains/(losses) on obligation	60,541	108,513
Closing fair value of plan assets	**13,179,645**	**11,980,534**
The company expects to contribute Rs.6,000,802 to gratuity in next year (31 March 2013: ₹5,099,382)		
30 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS		
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows		
Investment with Insurer	100%	100%
The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the company plan's are shown below:		
Discount rate	9.31%	8.25%
Expected value of return on assets	9.31%	8.70%
Employee turnover	For 0 yrs to 4 yrs 6% p.a. 5 yrs & above 2% p.a.	For 0 yrs to 4 yrs 6% p.a. 5 yrs & above 2% p.a.

NOTES to financial statements for the year ended 31st March, 2014

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation are to be settled. The change in the expected rate of return corresponds to changes in the market dynamics.

Amounts for the current and previous four periods are as follows:

(in ₹)

	31st March 2014	31st March 2013	31st March 2012	31st March 2011	31st March 2010
Gratuity					
Defined benefit obligation	15,470,476	13,321,252	11,048,992	6,861,145	5,280,827
Plan assets	13,179,645	11,980,534	11,292,111	8,637,286	7,171,656
Deficit / (Surplus)	**2,290,831**	**1,340,718**	**(243,119)**	**(1,776,141)**	**(1,890,829)**
Experience adjustments on plan liabilities	1,298,214	(1,464,766)	2,336,496	248,291	363,833
Experience adjustments on plan assets	60,541	108,513	9,030	189,284	-

(in ₹)

31 SEGMENT INFORMATION	Year ended 31 March 2014		
	Storage & allied services	Trade facilitation	Total
Revenue			
Revenue from External sales		46,054,926	46,054,926
External services	1,390,619,868	210,286,395	1,600,906,263
Inter segement sales			
Total Revenue	**1,390,619,868**	**256,341,321**	**1,646,961,189**
Results			
Segment results	151,594,594	(482,995,803)	(331,401,209)
Unallocated expenses			(157,724,062)
Operating profit			(489,125,271)
Finance costs			-
Other income including finance income			49,184,458
Exceptional items			-
Profit before tax			**(439,940,813)**
Income taxes			-
Net profit			**(439,940,813)**
As at 31 March 2014			
Segment assets	915,953,567	867,025,102	1,782,978,669
Unallocated assets			347,468,454
Total assets	**915,953,567**	**867,025,102**	**2,130,447,123**
Segment liabilities	260,309,924	1,018,335,082	1,278,645,006
Unallocated liabilities			851,802,117
Total liabilities	**260,309,924**	**1,018,335,082**	**2,130,447,123**

(in ₹)

	Year ended 31 March 2013		
	Storage & allied services	Trade facilitation	Total
Revenue			
External sales	-	113,786,195	113,786,195
External services	1,229,166,144	219,926,714	1,449,092,858
Inter segement sales	-	-	-
Total Revenue	**1,229,166,144**	**333,712,909**	**1,562,879,053**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

	Year ended 31 March 2013		
	Storage & allied services	**Trade facilitation**	**Total**
Results			
Segment results	250,384,000	110,597,544	360,981,544
Unallocated expenses			(205,666,197)
Operating profit			155,315,347
Finance costs			(307,278)
Other income including finance income			36,717,200
Exceptional items			-
Profit before tax			**191,725,269**
Income taxes			46,713,805
Net profit			**145,011,464**
As at 31 March 2013			
Segment assets	**755,208,163**	**2,991,320,262**	**3,746,528,425**
Unallocated assets			413,087,395
Total assets	**755,208,163**	**2,991,320,262**	**4,159,615,820**
Segment liabilities	212,486,401	2,650,390,738	2,862,877,139
Unallocated liabilities			1,296,738,681
Total liabilities	**212,486,401**	**2,650,390,738**	**4,159,615,820**

32 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship
Related parties where control exists

Holding company	:	Financial Technologies (India) Limited
Ultimate holding company	:	Financial Technologies (India) Limited
Subsidiaries	:	Nil

Related parties with whom transactions have taken place during the year

Fellow subsidiaries	:	National Spot Exchange Limited Tickerplant Limited Apian Finance and Investments Limited Atom Technologies Limited. FT Knowledge Management Company Ltd. Indian Bullion Market Association (IBMA)
Associates of Holding Company	:	Multi Commodity Exchange of India Ltd.*
Jointly controlled entity	:	Nil
Key management personnel	:	Mr. Anil Choudhary (MD & CEO) Mr. Santosh Dadheech (Director)
Relatives of key management personnel	:	Nil
Enterprises owned or significantly influenced by key management personnel or their relatives	:	Nil

NOTES to financial statements for the year ended 31st March, 2014

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Sale/purchase of goods and services

(in ₹)

Particulars	Year ended	Sale of services	Sale of Fixed Assets	Purchase of services	Reimbursement of Expenses paid	Reimbursement of Expenses received	Purchase of Goods	Purchase of Fixed Assets
Holding and ultimate holding companies								
Holding Company								
Financial Technologies India Limited	**31-Mar-14**	**63,630**	**-**	**10,415,601**	**10,409,001**	**39,147**	**-**	**2,843,666**
	31-Mar-13	-	23,985	15,577,103	11,736,488	384,800	-	4,854,298
Associates and jointly controlled entities								
National Spot Exchange Limited	**31-Mar-14**	**262,584**	**-**	**-**	**-**	**145,655**	**-**	**-**
	31-Mar-13	1,197,099	-	-	-	93,717	798,372	-
Tickerplant Limited	**31-Mar-14**	**15,601**	**-**	**72,000**	**-**	**10,539**	**-**	**-**
	31-Mar-13	-	-	189,673	-	55,879	-	-
Apian Finance and Investments Limited	**31-Mar-14**	**-**	**-**	**-**	**73,559**	**-**	**-**	**-**
	31-Mar-13	-	-	-	122,726	3,522	-	-
Atom Technologies Limited.	**31-Mar-14**	**-**	**-**	**-**	**24,655**	**-**	**-**	**-**
	31-Mar-13	-	-	-	20,695	-	-	6,084
Multi Commodity Exchange of India Ltd.	**01-04-2013 to 31-12-2013**	**88,644,334**	**-**	**29,298,217**	**-**	**27,567**	**-**	**-**
	31-Mar-13	100,931,838	-	36,910,390	61,507	50,245	-	75,470
Multi Commodity Exchange of India Ltd.	**01-01-2014 to 31-03-2014**	**21,080,985**	**-**	**10,256,201**	**-**	**3,375**	**-**	**-**
	31-Mar-13	-	-	-	-	-	-	-
FT Knowledge Management Company Ltd.	**31-Mar-14**	**-**	**-**	**-**	**-**	**-**	**188,499**	**188,499**
	31-Mar-13	-	-	-	-	-	-	-
Indian Bullion Market Association (IBMA)	**31-Mar-14**	**-**	**-**	**-**	**-**	**-**	**126,169,831**	**-**
	31-Mar-13	-	-	-	-	-	-	-
Total		**110,067,133**	**-**	**50,042,019**	**10,507,215**	**226,283**	**126,169,831**	**3,032,165**
Total		**102,128,937**	**23,985**	**52,677,166**	**11,941,416**	**588,163**	**798,372**	**4,935,852**

*With effect from 26th December, 2013, the holding Company does not have any significant influence over Multi Commodity Exchange of India Ltd., however, transactions with Multi Commodity Exchange of India Ltd. from 1st January, 2014 to 31st March, 2014 have been disclosed as additional information.

**The amounts are classified as trade receivables and trade payables, respectively.

NOTES to financial statements for the year ended 31st March, 2014

b Advance given and repayment thereof

(in ₹)

Particulars	Year ended	Advance given	Repayment	Interest	Amount owed by related parties
Enterprises owned or significantly influenced by key management personnel or their relatives					
National Spot Exchange Limited					
Advances given to Vendor	**31-Mar-14**	1,050,000,000	(622,500,000)	-	427,500,000
Provision for Doubtful Advances	**31-Mar-14**	-	-	-	427,500,000
	31-Mar-13	-	-	-	-

c. Loans taken and repayment thereof

(in ₹)

Particulars	Year ended	Loans taken	Repayment	Interest	Amount owed by related parties
Holding company					
Financial Technologies India Limited	**31-Mar-14**	1,335,000,000	(904,746,139)	29,076,426	459,330,287
	31-Mar-13	-	-	-	-

d. Remuneration to key managerial personnel

(in ₹)

Particulars	31st March 2014	31st March 2013
Mr. Anil K. Choudhary, Managing Director & CEO		
Salary, bonus and contribution to PF	10,736,942	8,905,478
Reimbursement of other expenses	403,728	322,761
Variable Pay of FY 2012-13 booked in prior period	1,800,000	
Variable Pay of FY 2013-14	3,000,000	
Total A	**15,940,670**	**92,28,239**
Mr. Santosh Dadheech, Director		
Salary, bonus and contribution to PF	1,930,124	-
Reimbursement of other expenses	202,532	-
Variable Pay of FY 2013-14	530,017	-
Total B	**26,62,673**	**-**
Total (A+B)	**1,86,03,343**	**92,28,239**

Note: Related party relationship are as identified by the company and relied upon by the auditor

(in ₹)

33	CAPITAL AND OTHER COMMITMENTS	31st March 2014	31st March 2013
	Estimated value of contracts in capital account relating to the completion of warehousing projects	2,053,434	59,487,771
	Total	**2,053,434**	**59,487,771**
34	**CONTINGENT LIABILITIES**		
	Claims against the company not acknowledged as debts*	54,930,668	56,800,000
	Bank guarantees**	6,824,168	6,500,000
	Total	**61,754,836**	**63,300,000**

*The claims against the company comprise :
Company has lodged nine insurance claims for ₹2.36 Cr. Under its fidelity, buglary and STFI policies. In all these cases company has taken necessary steps and believes that the claims are fully covered under the said policies. Seven cases have been filed against the Company for claim of ₹3.13 Cr. In all these cases, Company has sufficient legal recourse to safe guard its interest.

**The company has issued a counter indemnity to Bank for the bank guarantees issued by bank to various mandi and tax authorities.

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
35	**DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006**		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	173,979	2,504,342
	Interest due on above	-	-
	Total	**173,979**	**2,504,342**
	Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the period/year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006		
36	**EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)**		
	Exports of traded goods at F.O.B. Value	-	306,757,146
	Total	**-**	**306,757,146**
37	**EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)**		
	Interest to Bank	501,000	1,733,561
	Brokerage	-	136,118
	Membership & Testing Fees	251,025	223,999
	Professional Charges	496,735	-
	Total	**1,248,760**	**2,093,678**

(in ₹)

		Foreign currency	Loan amount in foreign currency	
38	**DERIVATIVE INSTRUMENTS OUTSTANDING AS AT THE BALANCE SHEET DATE**		**31st March 2014**	**31st March 2013**
	Forward Foreign Exchange Contract	USD	-	1,885,436.83
	Total		**-**	**1,885,436.83**

39 LEASE

Operating lease: Company as lessee:

The company has entered into commercial leases on certain warehouses and offices. These leases have an average life of between one to five years with renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals payable under non -cancellable operating leases are as follows;

(in ₹)

Particulars	31st March 2014	31st March 2013
Within one year	79,290,805	58,507,609
After one year but not more than five years	170,967,810	123,486,229
More than five years	11,163,316	11,163,616
Total	**261,421,931**	**193,157,454**

40 The Company had paid ₹9,83,75,000/- as advance against purchase of land and warehouse at Bundi, Rajasthan to Kotak Bank, during the financial year 2011-12, which is pending for transfer in the name of the company and amount is shown under the head "Long term loans and advances" as capital advances.

NOTES to financial statements for the year ended 31st March, 2014

41 Provision for Income Tax:

The tax liability towards current taxation and credit for Minimum Alternative Tax (MAT) entitlement is determined for the current year on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessments. MAT liability has been provided in accordance with the tax laws. This gives rise to MAT Credit entitlement, which according to the Income Tax Act, 1961, can be carried forward for subsequent 7 years. Based on the present projections, the Company would have sufficient current tax liability to offset these tax credits. Accordingly, in line with the Guidance Note issued by the Institute of Chartered Accountants of India, in the current year Company has availed MAT Credit of ₹42,13,284/- and the same is recognised in the financial statement.

The company's management is of the opinion that its domestic transactions with Associated Enterprises is at 'Arm's length' and that the company is in compliance with the transfer pricing legislation. Further, the company is in the process of updating its documentation in respect of Domestic Transaction with Associated Enterprises as required under section 92 of the Income Tax Act, 1961. The company's Management believes that the aforesaid legislation will not have any Impact on the Financial Statement, particularly on the amount of Tax Expenses and the Provision for Tax as at and for the year ended 31st March, 2014.

42 The previous year figures have been regrouped, rearranged and reclassified wherever necessary to conform to current year figures.

For Sharp & Tannan Associates
Chartered Accountants
(ICAI Firm Reg. No. 109983W)

Tirtharaj Khot
Partner
Membership No : (F) 037457

Place : Mumbai
Date : 26-06-2014

For and on behalf of the Board of Directors
National Bulk Handling Corporation Limited

Anil K. Chaudhary
Managing Director & CEO

Pramod Kabra
Director

Rakesh Garg
COO & Company Secretary

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the Eighth Annual Report together with the audited accounts of your Company for the year ended 31st March, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. FINANCIAL RESULTS AND OPERATIONS:

The performance of the Company for the financial year ended 31st March, 2014 is summarized below:

(in INR)

PARTICULARS	FY 2013-14	FY 2012-13
Total Income	7,48,842	7,71,045
Total Expenditure	1,17,739	47,826
Profit/ (Loss) before Tax	6,31,103	7,23,219
Provision for Tax	-	-
Profit/ (Loss) after Tax	6,31,103	7,23,219
Balance carried to Balance Sheet	21,11,043	14,79,940

2. DIVIDEND:

In order to conserve resources, your Directors do not recommend any dividend for the year under review.

3. TRANSFER TO RESERVES:

No amount was transferred to Statutory Reserves during the year under review.

4. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. The Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. FIXED DEPOSITS:

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

6. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Hariraj Chouhan – Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Hariraj Chouhan in the ensuing Annual General Meeting.

The other Directors continue to be on the Board of your Company.

7. AUDITORS:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 read with the Companies (Audit and Auditors) Rules 2014 of the Companies Act,2013.

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

DIRECTORS' REPORT

8. **AUDITORS REPORT:**

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

9. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Your Company does not have manufacturing activities and therefore the information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988, is not furnished. Your Company endeavors to carry out In-House R & D activities.

During the year under review there was no Foreign Exchange earnings and outgo.

Your Company has not exported any product during the year under review and does not foresee any future export activity, in case the opportunity arises the Board shall take the necessary steps in this regard.

10. **PARTICULARS OF EMPLOYEES:**

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

11. **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2013- 14 and of the profit of the Company for that period;

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

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

12. **COMPLIANCE CERTIFICATE:**

In accordance with the provisions of Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules 2001, your Company has obtained a certificate from a Practicing Company Secretary and a copy of the said certificate is attached to this Report.

13. **ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, bankers and the employees and look forward to their continues support.

For and on behalf of the Board of Directors

Place: Mumbai	**Devendra Agrawal**	**Hariraj Chouhan**
Date: 05.08.2014	Director	Director

CS Abdul Karim Kazi
Practicing Company Secretary
Room No. 2, House No. 2,
Near Little Flower High School,
Kamgar Road, Andheri (E)
Mumbai - 400 069.
e-mail: proagile@pcsllp.com
cell : 98211 67216

CIN : U72900MH2007PLC168354

Paid up Capital : Rs.1,00,00,000

COMPLIANCE CERTIFICATE

To
The Board of Directors,
Global Payment Networks Limited
1st Floor, Malkani Chambers,
Off. Nehru Road, Vile Parle {East},
Mumbai- 400099.

I have examined all the relevant books, registers, forms, documents and papers of **Global Payment Networks Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and Companies Act, 2013 (the new Act) to the extent applicable and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company, for the purpose of issuing a Secretarial Compliance Certificate under Section 383A of the Act, read with the Companies (Compliance Certificate) Rules, 2001 (The Rules), for the financial year from 1st April, 2013 to 31st March, 2014.

Based on such examination as well as information and explanations furnished to me, which to the best of my knowledge and belief were necessary for the purposes of my certification, I hereby certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has duly filed the forms and returns, except as otherwise stated in **Annexure 'B'** to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. However, no forms or returns were filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met 4 (Four) times respectively on 27th May 2013, 26th August 2013, 31st December 2013 and 30th January 2014 in respect of which meetings notices were given and the proceedings were properly recorded and signed. The Company has not passed any board resolution by circulation.
5. The Company has not closed its Register of Members during the year.
6. The Annual General meeting for the financial year ended on 31st March 2013 was held on 23rd September 2013 after giving notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the year.
8. The Company has not advanced any loans to its directors and / or persons of firms or companies referred to in Section 295 of the Act and Section 185 of the new Act, during the financial year.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries that need to be made in the register maintained under section 301 of the Act.
11. The Company did not seek any approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act, during the year.
12. The Company has not issued any duplicate share certificates during the financial year.

13. The Company has / was :
    (i) neither made any allotment of securities, nor received any application for transfer / transmission of securities during the financial year;
    (ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year;
    (iii) not required to post warrants to any members of the Company as no Dividend was declared during the financial year;
    (iv) no amounts lying in the credit of any account, which is required to be transferred to Investor Education and Protection Fund;
    (v) duly complied with the requirements pertaining to Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company was not required to appoint any Managing Director / Wholetime Director / Manager during the year.
16. The Company has not appointed any sole-selling agents during the year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any equity shares, debentures or other securities during the year.
20. The Company has not bought back any shares during the year.
21. There was no redemption of preference shares or debentures during the year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the year.
24. The company has not borrowed any amount during the financial year.
25. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose. The Company has made investment in Mutual Funds during the year in compliance with the provisions of the Act.
26. The Company has not altered the provisions of the memorandum with respect to the situation of the Company's registered office during the year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year.
30. The Company has not altered its Articles of Association during the year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the year, for offences under the Act, as informed to us.
32. As explained to us, the Company has not received any money as security from its employees during the year.
33. As explained to us, the Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

Place : Mumbai
Date : 26th May 2014

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

Annexure – A

Registers as maintained by the Company

1. Register of Members u/s 150 of the Act;
2. Register of Directors u/s 303 of the Act;
3. Register of Directors' shareholding u/s 307 of the Act;
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299 and 301 of the Act;
5. Minutes of the General Meetings and Board Meetings u/s 193 of the Act;
6. Attendance Registers of Board and General Body meetings.

Annexure – B

Forms and Returns as filed by the Company, during the year ended on 31st March, 2014.

Sr. No	eform No.	Under Sec.	Date of filing with ROC	SRN No	Particulars
1	20B	159	11.11.2013	Q22917280	Annual Return for the AGM held on 23rd September 2013
2	66	383(A)	21.10.2013	Q15123953	Compliance Certificate for the year ended 31st March 2013
3	23AC & ACA XBRL	220	22.10.2013	Q15426638	Annual Accounts in XBRL format for the year ended 31st March 2013

Place : Mumbai
Date : 26th May 2014

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

INDEPENDENT AUDITOR'S REORT

To the Members of **Global Payment Networks Limited**

We have audited the accompanying financial statements of Global Payment Networks Limited, which comprise the Balance sheet as at March 31,20 14, and the statement of Profit and loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/20 13 dated 13th September 2013 of the ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31 March 2014

(b) In the case of the Statement of profit and loss, of the profit for the year ended on that date and

(c) in the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 (the order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said Order.

As required by section 227(3) of the act, we report that:

(a) We have obtained all the information and ex planations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/ 2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors arc disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (l) of section 274 of the Companies Act, 1956.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 26-05-2014

INDEPENDENT AUDITOR'S REORT

i) In respect of its fixed assets:

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

(b) As explained to us, all the fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable, having regards to the size of the company and nature of its assets. As informed to us no material discrepancies were noticed on such physical verification.

(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

ii) The company is not having inventories accordingly clause (ii) of the order is nor applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has nor given any loan to parties covered in the register maintained u/s 301 of the company Act, 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has not taken unsecured loan from parties covered in the register maintained u/s 301 of the company Act 1956. Consequently, the requirements of clauses (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

b) In our opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/ arrangements entered in the register maintained under section 301 of the Companies Act. 1956 and exceeding the value of Rs. 5 lacs in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) According to the information and explanations given to us the company has adequate inhouse Internal Audit system commensurate with the size and the nature of its business.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) According to the information explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company's does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the year covered by our audit and not in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted to repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

xiv) In our opinion and according to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other investment. The Company has invested surplus fund in mutual funds. According to the in formation and explanation given to us proper records have been maintained of the transaction and timely entries have been made therein. The Mutual funds have been held by the company in its own name.

INDEPENDENT AUDITOR'S REORT

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken term loan during the year, accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of me company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reponed.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 26-05-2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

	Note No.	31st March 2014	31st March 2013
EQUITIES & LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	10,000,000	10,000,000
(b) Reserve and surplus	3	2,111,043	1,479,940
		12,111,043	**11,479,940**
2 Current liabilities			
(a) Trade payables	4	-	25,281
(b) Other current liabilities	5	10	3,139
		10	**28,420**
		12,111,053	**11,508,360**
ASSETS			
1 Non-current assets			
(a) Fixed assets:	6		
Tangible assets		-	5,978
(b) Long term loans and advances	7	388,926	366,158
		388,926	**372,136**
2 Current assets			
(a) Current investments	8	11,641,157	10,994,374
(b) Cash and bank balances	9	80,970	138,143
(c) Short term loans and advances	10	-	3,707
		11,722,127	**11,136,224**
		12,111,053	**11,508,360**
Summary of significant accounting policies	1		

The notes 15 to 22 referred to above form an integral part of the financial statement.

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date: 26-05-2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date: 26-05-2014

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

PARTICULARS	Note no.	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
(I) Revenue			
Other income	11	748,842	771,045
Total revenue (I)		**748,842**	**771,045**
(II) Expenses			
(i) Employee benefit expenses	12	216	216
(ii) Other expenses	13	113,681	43,725
Total expenses (II)		**113,897**	**43,941**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		634,945	727,104
Depreciation and amortization	14	3,842	3,885
(IV) Profit before tax		**631,103**	**723,219**
Tax expense			
- Current tax		-	-
(V) Total tax expensed from continuing operation		-	-
(VI) Profit for the year		**631,103**	**723,219**
(VII) Earnings per share	16		
Basic		0.63	0.72
Diluted		0.63	0.72
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The notes 15 to 22 referred to above form an integral part of the financial statement.

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date: 26-05-2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date: 26-05-2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

		For the year ended on 31st March, 2014		For the year ended on 31st March, 2013	
A.	**Cash flow from operating activities**				
	Net profit before tax		**631,103**		**723,219**
	Adjustments for:				
	Depreciation	3,842		3,885	
	Dividend from investments	(725,830)		(740,830)	
	Loss on sale of fixed assets/ written off	-		0	
	Net gain on sale of current investment	(79,047)		-	
	Interest expenses	-		-	
			(801,036)		(736,945)
	Operating loss before working capital changes		**(169,933)**		**(13,726)**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Short term loans and advances	3,463		851	
	Long term loans and advances	(22,768)		(25,497)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	(25,281)		(4,499)	
	Other current liabilities	(3,129)		371	
			(47,715)		(28,774)
	Cash used in operations		**(217,648)**		**(42,500)**
	Less: Taxes paid		244		-
	Net cash used in operating activities		**(217,404)**		**(42,500)**
B.	**Cash flow from investing activities**				
	Sale of fixed assets		2,136		-
	Purchase of investments		(11,870,906)		(11,639,261)
	Proceeds from sale of Investments		11,224,123		10,898,432
	Dividend from investments		725,830		740,830
	Net gain on sale of current investment		79,047		-
	Net cash used in investing activities		**160,231**		**-**
C.	**Cash flow from financing activities**		**-**		**-**
	Net cash used in financing activities		**-**		**-**
	Net cash flow during the year		**(57,173)**		**(42,499)**
	Net decrease in cash and cash equivalents		**(57,173)**		**(42,499)**
	Cash and cash equivalents (opening balance)		**138,143**		**180,642**
	Cash and cash equivalents (closing balance)		**80,970**		**138,143**

CASH FLOW STATEMENT for the year ended 31st March, 2014

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (refer Note 9) with cash and cash equivalent is as follows:

(in ₹)

	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
Bank Balances:		
-in Current Accounts	80,970	138,143
	80,970	**138,143**

2. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
3. Previous years figures have been regrouped, rearranges, reclassified wherever necessary to correspond with the figures of the current period as required under revised schedule VI.

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date: 26-05-2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date: 26-05-2014

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or noncurrent as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Depreciation on tangible assets has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation in respect of assets costing less than Rs. 5,000 each is fully depreciated in the year of capitalisation

1.5 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.6 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.7 Investments

Investments are classified as current investments and are carried at the lower of cost and quoted/fair value. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.8 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.9 Impairment of assets

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

1.10 Provisions and contingencies

The Company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

2	Share capital	31st March 2014		31st March 2013	
		Nos.	₹	Nos.	₹
	Authorised:				
	Equity shares of ₹10/- each	1,750,000	17,500,000	1,750,000	17,500,000
	Preference shares of ₹10/- each	250,000	2,500,000	250,000	2,500,000
		2,000,000	20,000,000	2,000,000	20,000,000
	Issued, subscribed and paid up:				
	Equity shares of ₹10/- each fully paid	1,000,000	10,000,000	1,000,000	10,000,000
		1,000,000	10,000,000	1,000,000	10,000,000

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period.

Shares at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Issued during the period	-	-	-	-
Shares outstanding at the end of the period	1,000,000	10,000,000	1,000,000	10,000,000

The company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.

b) Shares held by holding company

Financial Technologies (India) Ltd.	1,000,000	10,000,000	1,000,000	10,000,000

c) Details of the shareholders holding more than 5% of the shares in the company

Financial Technologies (India) Ltd. *	1,000,000	100	1,000,000	100

*Includes six equity shares of the company which is held by other six member of the company. Financial Technologies (India) Ltd. has all the beneficial interest related to these six equity shares.

(in ₹)

3	RESERVES AND SURPLUS	As at 31st March, 2014	As at 31st March 2013
	Surplus in the statement of profit and loss		
	Balance as per last financial statements	1,479,940	756,721
	Add :Profit/ (Loss) for the period	631,103	723,219
	Net surplus in the statement of profit and loss	**2,111,043**	**1,479,940**
4	**TRADE PAYABLES**		
	Trade payables	-	25,281
	(refer note 18 for details of dues to micro and small enterprises)		
		-	**25,281**
5	**OTHER CURRENT LIABILITIES**		
	Statutory payables		
	TDS Payables	-	3,129
	Statutory-other (PF)	10	10
		10	3,139

NOTES to financial statements for the year ended 31st March, 2014

6 FIXED ASSETS

(in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.13	Additions	Deletion/ Adjustments	Cost as at 31.03.14	Upto 01.04.13	For the period	Deletions/ Adjustments	Upto 31.03.14	As at 31.03.14	As at 31.03.13
Tangible assets										
Computer hardware	23,966	-	**23,966**	-	17,988	3,842	**21,830**	-	-	5,978
Total	**23,966**	**-**	**23,966**	**-**	**17,988**	**3,842**	**21,830**	**-**	**-**	**5,978**
Previous Year	**23,966**	**-**	**-**	**23,966**	**14,103**	**3,885**	**-**	**17,988**	**5,978**	

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		As at 31st March, 2014	As at 31st March 2013
7	**LONG-TERM LOANS AND ADVANCES**		
	Advances recoverable in cash or kind or for value to be received		
	Unsecured, considered good		
		363,926	340,914
	Other Loan and advances		
	Advance Income-tax(net of provision for tax)	-	244
	Balances with statutory/government authorities - deposits	25,000	25,000
		388,926	**366,158**
8	**CURRENT INVESTMENT**		
	Non trade - current investments		
	Unquoted (lower of cost or market value)		
	-in mutual funds		
	Nil (previous year: (643,100.034) units of ₹10/- each of Reliance Medium Term Fund - Daily Direct Dividend Plan	-	10,994,374
	7,614.870 (previous year: (Nil) units of ₹1000/- each of Reliance Liquid Fund Treasury Plan - Direct Daily Dividend Reinvestment (Market value ₹1,528.7400 per unit as on 31st March, 2014)	11,641,157	-
		11,641,157	**10,994,374**
	Note:		
	1) Aggregate value of unquoted investments	**11,641,157**	**10,994,374**
9	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Bank balances:		
	With scheduled banks:		
	- in current account	80,970	138,143
		80,970	**138,143**
10	**SHORT TERM LOANS AND ADVANCES**		
	Prepaid expenses	-	3,707
		-	**3,707**

(in ₹)

		For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
11	**OTHER INCOME**		
	Dividend from:		
	- Current investments	725,830	740,830
	Miscellaneous income	23,012	30,215
		748,842	**771,045**
12	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and allowances (net of recovery)	24	24
	(includes Profession tax and Maharashtra labour welfare fund)		
	Contribution to provident fund and other funds	192	192
		216	**216**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

13 OTHER EXPENSES	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
Payment to auditor (refer details below)	28,090	34,733
Legal and professional charges	500	3,202
ROC fees expenses	1,532	3,061
Rates & Taxes	2,274	2,255
Loss on sale of current investment	79,047	-
Miscellaneous expenses *	2,238	474
*(office expenses etc.)		
	113,681	**43,725**

DETAILS OF PAYMENT TO AUDITOR	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
As auditor :		
Audit fee	28,090	11,442
In other capacity	-	510
Taxation matters	-	22,781
	28,090	**34,733**

14 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation of tangible assets	3,842	3,885
	3,842	**3,885**

15 Related party disclosures

(A) Names of related parties and related party relationship :

(i) Company whose control exists (holding company)	:	Financial Technologies (India) Limited (since incorporation)
(ii) Fellow subsidiaries (having common Directors with whom no tracsections are carried out)	:	Riskraft Consulting Limited Financial Technologies Communications Limited Bourse India Limited Apian Finance and Investment Limited Trans Global Credit And Finance Limited Credit Market Services Limited
(iii) Other related party (having common Directors with whom no tracsections are carried out)	:	Grameen Pragati Foundation (a Section 25 Company)
(iv) Key management personnel (KMP)	:	Dewang Neralla (Director)

There are no transactions carried out between Fellow subsidiary, Other related party and Key management Personnel during the year ended on 31st March, 2014 and during the year ended 31st March 2013.

(B) Related parties transactions :

(in ₹)

	Holding companies	
NATURE OF TRANSACTIONS	**31st March 2014**	**31st March 2013**
Sale/Purchase of goods, services and Assets		
Sale of assets	23,966	-

Note: Related party relationship is as identified by the Company and relied upon by the auditors.

NOTES to financial statements for the year ended 31st March, 2014

16 EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

(in ₹)

	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
Total operations for the year		
Net profit after tax for calculation of basic EPS	631,103	723,219
Weighted average number of equity shares basic (nos.)	1,000,000	1,000,000
Weighted average number of equity shares diluted (nos.)	1,000,000	1,000,000
Basic earnings per share	0.63	0.72
Diluted earnings per share	0.63	0.72
Nominal value of equity share	10/-	10/-

17 There were no qualified employees at the end of the current and previous period/ year, hence no funding were made during the year and also no actuarial valuation is carried out as per Accounting Standard - 15 " Accounting for retirement benefits in the financial statements of employees". The Company had made annual contributions to the Gratuity-cum-Life Assurance (Cash Accumulation) Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. Balance receivable alongwith accrued inerest lying with LIC is shown as "Other Loans and advances".

18 CONTINGENT LIABILITIES AND COMMITMENTS	As at 31st March, 2014	As at 31st March 2013
(to the extent not provided for)		
a) Estimated amount of contract to be executed in Capital Account and not provided for (Net of Advances)	NIL	NIL
b) Contingent liabilities not provided for	NIL	NIL
	NIL	**NIL**
19 DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DIFINED UNDER THE MSMED ACT, 2006		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	-

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

20 The Company's main object is to engage in the business of providing information technology enabled services (ITES). The company has considered business segment as primary segment. Thus there is only one identified reportable segment.

21 No provision for Income Tax is required to be made in view of the exempt nature of income and deductions available under the provisions of Income Tax Act, 1961

22 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date: 26-05-2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date: 26-05-2014

DIRECTOR'S REPORT

To

The Members,

Your Directors are pleased to present the Eighth Annual Report of your Company with the Audited Statement of Accounts for the year ended March 31, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. Financial Results and Operations:

The Financial performance of your Company for the year ended March 31, 2014 is summarized below:

(In INR)

PARTICULARS	FY 2013-2014	FY 2012-2013
Total Income	5,77,70,785	6,29,87,814
Total Expenditure	3,92,18,022	4,39,87,980
Profit before Tax	1,85,52,763	1,89,99,834
Provision for Tax	54,61,742	63,30,997
Profit/ Loss after Tax	1,30,91,022	1,26,68,838
Balance carried to Balance Sheet	3,81,18,352	2,50,27,330

Financial Technologies Communications Limited mainly focuses on, to establish, develop, provide, operate and maintain all types of Telecommunication services including Internet Service Provider (ISP), Data communication and other like forms of communication.

2. Dividend:

In order to conserve resources, your Directors do not recommend any dividend for the year under review.

3. Transfer to Reserves

No amount is transferred to the Statutory Reserves during the year under review.

4. Share Capital:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain subsidiary of Financial Technologies (India) Limited.

5. Fixed Deposits:

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

6. Directors:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Dewang Neralla – Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Dewang Neralla in the ensuing Annual General Meeting.

The other Directors continue to be on the Board of your Company.

7. Auditors:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 read with the Companies (Audit and Auditors) Rules 2014 of the Companies Act,2013.

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

DIRECTOR'S REPORT

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

8. Auditors' Report:

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

9. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo:

Your Company is committed for adoption of various energy saving methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations and also endeavors to carry out In-House R & D activities. During the year under review, Foreign Exchange earnings and outgo are as follows:

Foreign Exchange earning	:	Nil (Previous year: Nil)
Foreign Exchange outgo	:	₹1,42,059/- (Previous year: 1,35,938/-)

There were no exports during the year. Company has not exported any product during the year under review and does not foresee any future export activity, in case the opportunity arises the Board shall take the necessary steps in this regard.

10. Particular of Employees:

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

11. Directors' Responsibility Statement:

In terms of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

a. In preparation of annual accounts for the year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2013-14 and the Profit made by the Company for that period;

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

d. The Annual Accounts of the Company have prepared on a going concern basis.

12. Acknowledgement:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Place: Mumbai	**Dewang Neralla**	**Hariraj Chouhan**
Date: 06.08.2014	Director	Director

AUDITOR'S REPORT

To the Members of **Financial Technologies Communications Limited**

We have audited the accompanying financial statements of **Financial Technologies Communications Limited,** which comprise the Balancesheet as at March 31,2014, and the statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position,financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement,whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the profit and loss account, of the loss for the year ended on that date and

(c) in the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

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

As required by section 227(3) of the act,we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 28.05.2014

ANNEXURE TO THE AUDITOR'S REPORT

Financial Technologies Communications Limited

i) In respect of its fixed assets:

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

(b) As explained to us, all the fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable, having regards to the size of the company and nature of its assets. As Informed to us no material discrepancies were noticed on such physical verification.

(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

ii) The company is not having inventories accordingly clause (ii) of the order is not applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable

(e) The Company has not taken unsecured loan from parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (e) to clause (iii) (g) of paragraph 4 of the order are not applicable

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lac in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) According to the information and explanations given to us the company has adequate in- house Internal Audit system commensurate with the size and the nature of its business.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company does not have accumulated losses at the end of the financial year more than 50% of net worth of Company. The Company has not incurred cash losses during the year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

xiv) In our opinion and according to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other Investment. The Company has invested surplus fund in mutual funds. According to the information and explanation given to us proper records have been maintained of the transaction and timely entries have been made therein. The Mutual funds have been held by the company in its own name.

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

ANNEXURE TO THE AUDITOR'S REPORT

Financial Technologies Communications Limited

xvi) The Company has not taken term loan during the year, accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN: 118424W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 28-05-2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

PARTICULARS	Note No.	31st March 2014	31st March 2013
Equities and liabilities			
1 Shareholders' funds			
(a) Share capital	2	500,000	500,000
(b) Reserve and surplus	3	38,118,352	25,027,330
		38,618,352	**25,527,330**
2 Non current liabilities			
(a) Deferred tax liabilities	19	714,979	1,045,944
		714,979	**1,045,944**
3 Current liabilities			
(a) Trade payables	4	2,261,755	8,184,473
(b) Other current liabilities	5	7,315,632	1,716,551
		9,577,387	**9,901,024**
		48,910,718	**36,474,298**
Assets			
1 Non-current assets			
(a) Tangible Fixed Assets	6	2,786,264	4,577,544
(b) Long-term loans and advances	7	29,451	-
		2,815,715	**4,577,544**
2 Current assets			
(a) Current investments	8	26,649,070	28,403,617
(b) Trade receivable	9	12,842,748	112,360
(c) Cash and bank balances	10	89,492	613,966
(d) Short-term loans and advances	11	6,513,693	2,766,811
		46,095,003	**31,896,754**
		48,910,718	**36,474,298**
Summary of significant accounting policies	1		

The accompanying notes 17-24 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28-05-2014

For and on behalf of the Board.

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28-05-2014

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

Particulars	Note No.	31st March 2014	31st March 2013
CONTINUING OPERATION			
(I) Revenue			
Revenue from operations	12	55,681,250	61,741,417
Other income	13	2,089,535	1,246,397
TOTAL REVENUE (I)		**57,770,785**	**62,987,814**
(II) Expenses			
Other expenses	14	37,236,350	42,343,569
Total expenditure (II)		**37,236,350**	**42,343,569**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		**20,534,435**	**20,644,245**
Depreciation and amortization	15	1,791,280	1,485,198
Finance costs	16	190,393	159,213
(IV) Profit before tax		**18,552,763**	**18,999,834**
Tax expense / (benefit):			
- Current tax		5,792,707	6,071,463
- MAT credit availed relating to prior years		-	(786,410)
Net current tax expenses		**5,792,707**	**5,285,053**
- Deferred tax expense		330,965	1,045,944
(V) Total tax expensed from continuing operation		**5,461,742**	**6,330,997**
(VI) Profit for the year		**13,091,022**	**12,668,838**
(VII) Earnings per share	18		
Basic		261.82	253.38
Diluted		261.82	253.38
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes 17-24 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28-05-2014

For and on behalf of the Board.

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28-05-2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

Particulars	31st March 2014		31st March 2013	
A. Cash flow from operating activities				
Net Profit before tax		**18,552,763**		**18,999,834**
Adjustments for:				
Depreciation	1,791,280		1,485,198	
Net gain on sale of investments	(4,272)		(740)	
Dividend from investments	(1,849,724)		(1,225,433)	
Interest expenses	64,189		24,744	
		1,473		283,769
Operating profit before working capital changes		**18,554,236**		**19,283,603**
Changes in working capital				
Adjustments for (increase) / decrease in operating assets				
Trade receivables	(12,730,388)		(98,803)	
Short-term loans and advances	713,432		(996,056)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(5,922,718)		8,085,348	
Other current liabilities	(1,549,055)		897,401	
		(19,488,729)		7,887,890
Cash from operations		**(934,493)**		**27,171,493**
Less: Taxes paid		(3,134,335)		(2,918,550)
Net cash from operating activities		**(4,068,828)**		**24,252,943**
B. Cash flow from investing activities				
Purchase of fixed assets		-		(1,426,684)
Purchase of investments		(38,269,333)		(95,069,277)
Sale of Investment		40,028,151		70,743,845
Dividend from investments		1,849,724		1,225,433
Net cash used in investing activities		**3,608,543**		**(24,526,683)**
C. Cash flow from financing activities				
Interest expense		(64,189)		(24,744)
Net cash used in financing activities		**(64,189)**		**(24,744)**
Net cash flow during the year (A+B+C)		**(524,474)**		**(298,484)**
Net decrease in cash and cash equivalents		**(524,474)**		**(298,484)**
Cash and cash equivalents (opening balance)		**613,966**		**912,450**
Cash and cash equivalents (closing balance)		**89,492**		**613,966**

CASH FLOW STATEMENT for the year ended 31st March, 2014

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (refer note 9) with cash and cash equivalent is as follows:

(in ₹)

	31st March 2014	31st March 2013
Bank Balances:		
- in current accounts	89,492	613,966
Cash and bank balance	**89,492**	**613,966**

2. Purchase of fixed assets are stated inclusive of movements of capital work in progress between the commencement and end of the year and are considered as part of investing activities.
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
4. Previous years figures have been regrouped, rearranges, reclassified wherever necessary to correspond with the figures of the current year as required under revised schedule VI

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28-05-2014

For and on behalf of the Board.

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 28-05-2014

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act, 1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Fixed assets

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

1.5 Depreciation

Upto 31st December 2013, depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Act whichever is higher.

Depreciation in respect of assets acquired during the year whose actual cost does not exceed Rs.5,000 has been provided at 100%.

Effective 1st January, 2014, the Management has revised the estimated useful life of the following categories of assets as under.

Asset	Revised useful life
(a) Motor Vehicle	8 Years
(b) Office Equipment (Including Electrical Installations & Equipment)	2 to 10 Years
(c) Computer Hardware	3 to 6 Years
(d) Patent and Trademarks	8 years
(e) Technical know-how and computer software	6 years

Depreciation on assets sold, discarded or demolished during the year is being provided at their rate up to the date in which such assets are sold, discarded or demolished.

1.6 Revenue recognition

Revenue is recognized when no significant uncertainty as to determination or realization exists.

Income from internet telecommunication services is recognized as per the terms of the contract and when the services are provided. Income from services is stated net of service tax wherever applicable.

1.7 Other income

Dividend income is accounted for when the right to receive it is established.

1.8 Investments

Investments are classified as current investments and long term investments. Current investments are carried at the lower of cost and un-quoted/ market value. Long term investments are valued at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.9 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.1 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

1.11 Impairment of assets

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

1.12 Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

2	SHARE CAPITAL	31st March 2014 Nos.	31st March 2014 ₹	31st March 2013 Nos.	31st March 2013 ₹
	Authorised:				
	Equity shares of ₹10/- each	400,000	4,000,000	400,000	4,000,000
	Preference shares of ₹10/- each	100,000	1,000,000	100,000	1,000,000
		500,000	**5,000,000**	**500,000**	**5,000,000**
	Issued, subscribed & paid up:				
	Equity shares of ₹10/- each fully paid up	50,000	500,000	50,000	500,000
		50,000	**500,000**	**50,000**	**500,000**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.	31st March 2014		31st March 2013	
	Nos.	**₹**	**Nos.**	**₹**
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**50,000**	**500,000**	**50,000**	**500,000**

The company has only one class of equity shares having par value of ₹10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings

b) Shares held by holding company	31st March 2014		31st March 2013	
	Nos.	**₹**	**Nos.**	**₹**
Financial Technologies (India) Ltd.	50,000	500,000	50,000	500,000

c) Details of the shareholders holding more than 5% of the shares in the company

	31st March 2014		31st March 2013	
	Nos.	% holding	**Nos.**	% holding
Financial Technologies (India) Ltd.	**50,000**	**100**	**50,000**	**100**

3	RESERVES AND SURPLUS	31st March 2014	31st March 2013
	Surplus /(Deficit) In The Statement Of Profit And Loss		
	Balance As Per Last Financial Statements	25,027,330	12,358,493
	Add : Profit For The Year	13,091,022	12,668,838
	Net surplus / (deficit) in the statement of profit and loss	**38,118,352**	**25,027,330**

4	TRADE PAYABLES		
	Trade payables	2,261,755	8,184,473
	(refer note 21 for details of dues to micro and small enterprises)		
		2,261,755	**8,184,473**

5	OTHER CURRENT LIABILITIES		
	Statutory payables		
	TDS payables	167,496	1,068,879
	Provision for income tax (net)	7,148,136	647,672
		7,315,632	**1,716,551**

NOTES to financial statements for the year ended 31st March, 2014

6 FIXED ASSETS

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.2013	Additions	Deletion/ Adjustments	Cost as at 31.03.2014	Upto 01.04.2013	For the year	Deletion/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
Computer Hardware	9,905,892	-	-	9,905,892	5,328,347	1,791,282		7,119,629	2,786,263	4,577,544
Total	**9,905,892**	**-**	**-**	**9,905,892**	**5,328,347**	**1,791,282**	**-**	**7,119,629**	**2,786,263**	**4,577,544**
Previous Year	**8,479,208**	**1,426,684**	**-**	**9,905,892**	**3,843,150**	**1,485,197**	**-**	**5,328,347**	**4,577,544**	

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
7	**LONG-TERM LOANS AND ADVANCES**		
	Other Loan and advances		
	Prepaid expenses	29,451	-
		29,451	**-**
8	**CURRENT INVESTMENT**		
	Non trade - unquoted		
	Unquoted		
	-in mutual funds		
	Nil (previous year: 4,070) units of ₹ 1000/- each of Taurus Ultra Short	-	28,403,617
	term Bond Fund Retail Daily Dividend Reinvestment plan		
	26,644.769 (previous year: Nil) units of ₹ 1000/- each of Taurus Ultra Short Term Bond Fund - Direct Plan - Super Institutional Daily Divi Reinvestment	26,649,070	-
		26,649,070	**28,403,617**
	Note:		
	1) Aggregate value of unquoted investments	**26,649,070**	**28,403,617**
9	**TRADE RECEIVABLES**		
	Other trade receivables		
	Secured, considered good	11,976,452	112,360
	more than six months	866,296	-
	- doubtful	-	-
		12,842,748	**112,360**
	Less: Provision for doubtful receivables		
		12,842,748	**112,360**
		12,842,748	**112,360**
10	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Bank balances:		
	With scheduled banks:		
	- in current accounts	89,492	613,966
		89,492	**613,966**
11	**SHORT-TERM LOANS AND ADVANCES**		
	Other loan and advances		
	Prepaid expenses	398,834	473,882
	Balances with statutory/Government Authorities - Deposits	729,216	1,397,052
	Tax deducted at source (net of provisions)	5,385,642	895,877
		6,513,693	2,766,811
		6,513,693	**2,766,811**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
12	**REVENUE FROM OPERATIONS**	**31st March 2014**	**31st March 2013**
	Internet telecommunication service	55,681,250	61,741,417
		55,681,250	**61,741,417**
13	**OTHER INCOME**		
	Dividend from		
	- Current investments	1,849,724	1,225,433
	Net gain on sale of investments	-	740
	Interest Received on Income Tax Refund	223,204	20,224
	Miscellaneous income	16,607	-
		2,089,535	**1,246,397**
14	**OTHER EXPENSES**		
	Payment to auditor (refer details below)	75,000	140,510
	License fee	4,457,085	4,172,705
	Leased line expenses	25,113,788	23,292,807
	Software license fee	2,673,054	2,856,167
	Managed service charges	4,683,596	4,321,100
	Legal and professional charges	11,113	7,359,997
	ROC fees	1,023	3,572
	Insurance expenses	19,594	25,969
	Net loss on sale of investments	4,272	-
	Miscellaneous expenses *	197,825	170,742
	(*includes Business support ,membership fees etc.)		
		37,236,350	**42,343,569**
	Details of payment to auditor		
	As auditor :		
	Audit fee	75,000	40,000
	Tax Audit fee		
	In other capacity		
	Taxation matters	-	100,000
	other services	-	510
		75,000	**140,510**
15	**DEPRECIATION AND AMORTIZATION EXPENSE**		
	Depreciation on tangible assets	1,791,280	1,485,198
		1,791,280	**1,485,198**
16	**FINANCE COST**		
	Interest expense on		
	- borrowings (to holding company on unsecured loan)	-	23,420
	- others	64,189	1,324
	Bank guarantee charges	126,204	134,469
		190,393	**159,213**

NOTES to financial statements for the year ended 31st March, 2014

17 RELATED PARTY DISCLOSERS

(A) Names of related parties and related party relationship :

(i) Company whose control exists (holding company) : Financial Technologies (India) Limited (since incorporation)

(ii) Fellow subsidiaries (with whom transactions are carried out) : Tickerplant Limited, Atom Technologies Limited, National Spot Exchange Limited

(iii) Associates of the holding company (where control exists): (with whom transactions are carried out) : Multi Commodity Exchange of India Limited (till 25.12.2013), Indian Energy Exchange Limited

(iv) Key management personnel (KMP) : Mr. Rohit Ambosta

(B) Related parties transactions:

(in ₹)

NATURE OF TRANSACTIONS	Holding companies		Fellow subsidiaries		Associate company of holding co. (where control exists) (refer footnote 2)			
	31st March 2014	31st March 2013	31st March 2014	31st March 2013	For the period / for the period end (in respect of MCX for the period 9 months upto 31 December, 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	Associates Company of holding Company (other than MCX) 31st March, 2014	31st March 2013
Managed service charges paid	4,683,596	4,321,100	-	-	-	-	-	-
Other reimbursement of expenses								
- Charged by them	126,403	134,469	-	7,000,000	-	-	-	-
Internet telecommunication Service charged to them	5,544,000	5,544,000	15,972,000	19,888,000	19,800,000	4,950,000	264,000	26,664,000
-Debit	-	-	1,050,566	-	7,415,760	11,679,822	11,679,822	-
-Credit	1,402,815	100	-	7,078,680	-	-	-	-

Note: 1) Related parties relationship is as identified by the company and relied by the auditor.

2) With effect from 26 December, 2013, as the holding company does not have any significant influence over MCX, however, transaction with MCX from 1st January, 2014 to 31st March, 2014 and balances outstanding as at 31st March, 2014 have been disclosed as additional information.

(in ₹)

Particulars	For the period / for the period end (in respect of MCX for the period 9 months upto 31 December, 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	Associates Company of holding Company (other than MCX) 31st March, 2014	31st March 2013
(C) Major Transaction with Fellow Subsidiries & Associate company of holding co. :				
Internet Telecommunication Service				
Tickerplant Limited			13,200,000	13,200,000
Atom Technologies Ltd			528,000	528,000
National Spot Exchange Ltd			2,244,000	6,160,000
Multi Commodity Exchange of India Limited	19,800,000	4,950,000	-	26,400,000
Indian Energy Exchange Ltd			264,000	264,000
Other reimbursement of expenses				
- Charged by them				
TickerPlant Limited				7,000,000
Closing balance				
- Debit				
National Spot Exchange Ltd			1,050,566	
Multi Commodity Exchange of India Limited	7,415,760	11,679,822	-	
- Credit				
TickerPlant Limited				7,078,680

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
18	**EARNINGS PER SHARE (EPS)**		
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Total operations for the year		
	Net profit after tax for calculation of basic EPS	13,091,022	12,668,838
	Weighted average number of equity shares basic (nos.)	50,000	50,000
	Weighted average number of equity shares diluted (nos.)	50,000	50,000
	Basic earnings per share	261.82	253.38
	Diluted earnings per share	261.82	253.38
	Nominal value of equity share	10/-	10/-
19	**DEFERRED TAX LIABILITY**		
	Deferred tax liability		
	Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	714,979	1,045,944
	Deferred tax Liability	714,979	1,045,944
20	**CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**		
	a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
	b) Contingent liabilities not provided for	NIL	NIL
		NIL	NIL
21	**Details of due to micro and small enterprises as defined under the MSMED Act, 2006**		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
		-	-
	Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006		
22	**Expenditure in foreign currency (accrual basis)**		
	Membership fees	142,059	135,938
		142,059	**135,938**
23	The Company is engaged in the business of providing Information Technology Enabled Services (ITES). The Company has considered business segment as Primary Segment. Thus there is only one identified reportable segment.		
24	Figures for the previous year have been regrouped / reclassified, whenever necessary.		

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date: 28-05-2014

For and on behalf of the Board.

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date: 28-05-2014

DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to present the Seventh Annual report of your Company along with the Audited statement of accounts for the year ended on March 31, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. REVIEW OF OPERATIONS:

(In INR)

PARTICULARS	FY 2013-2014	FY 2012-2013
Total Income	3,48,42,963	10,17,81,385
Total expenditure	5,48,05,383	7,78,40,782
Profit/loss before tax	(1,99,62,420)	2,39,40,603
Provisions for Tax	7,21,745	40,57,749
Profit/loss After tax	(2,06,84,165)	1,98,82,854
Balance carried to Balance Sheet	(1,88,75,363)	18,08,802

2. DIVIDEND:

During the year your Company has incurred losses, hence your Directors do not recommend any dividend for the year under review.

3. TRANSFER TO RESERVES

No amount is transferred to the Statutory Reserves during the year under review.

4. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. The Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. LOANS:

No unsecured loan is outstanding as at 31st March 2014.

6. FIXED DEPOSITS:

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

7. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Hariraj Chouhan, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Hariraj Chouhan in the ensuing Annual General Meeting.

Mr. Prashant Desai was appointed as an Additional Director of your Company with effect from 9th May 2014.

Mr. Devendra Agrawal's nomination was withdrawn by Financial Technologies (India) Ltd. (holding co.) by virtue of which he ceased to be the director of the Company and subsequently was re-appointed as an Additional Director.

In accordance with Section 161 of the Companies Act, 2013, Mr. Prashant Desai and Mr. Devendra Agrawal will hold office up to the forthcoming Annual General Meeting and their appointment is subject to the approval of members in the general meeting.

Your Directors recommend the appointment of Mr. Prashant Desai and Mr. Devendra Agrawal on the Board of the Company.

During the year, Mr. Joseph Massey, Mr. Jinesh Panchali and Mr. Ramprasad Bandi ceased to be the Directors of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by these Directors during their association with the Company.

8. AUDITORS:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 read with the Companies (Audit and Auditors) Rules 2014 of the Companies Act, 2013.

DIRECTORS' REPORT

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

9. AUDITORS REPORT:

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Your Company is in Service Industry and carries on the business of imparting training and financial knowledge programmes to its customers. Basic requirements of this industry are restricted to the usage of electronic and computer equipment apart from research on the particular topics under study and development of contents for imparting training. However, your Company is committed for adoption of various energy saving methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations and also endeavors to carry out In-House R & D activities.

Your Company is making efforts to increase its foreign earnings. Your Company is making efforts to develop its export promotion/foreign consultancy programmes.

Foreign Exchange earnings	:	₹25,99,303/- (Previous Year: ₹2,54,36,552/-)
Foreign Exchange outgo	:	₹1,64,844 /- (Previous Year: ₹20,26,264/-)

11. PARTICULARS OF EMPLOYEES:

None of the employees of your Company are in receipt of remuneration exceeding the limit laid down in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, hence no such particulars are annexed to this report.

12. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2013-14 and of the loss of the Company for that period;

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

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

13. COMPLIANCE CERTIFICATE

In accordance with the provisions of Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules 2001, your Company has obtained a certificate from a Practicing Company Secretary and a copy of the said certificate is attached to this Report.

14. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of Board of Directors

Place: Mumbai	**Prashant Desai**	**Hariraj Chouhan**
Date: 06.08.2014	Director	Director

CS Abdul Karim Kazi
Practicing Company Secretary
Room No. 2, House No. 2,
Near Little Flower High School,
Kamgar Road, Andheri (E)
Mumbai - 400 069.
e-mail: proagile@pcsllp.com
cell : 98211 67216

CIN : U80900MH2007PLC173924

Paid up Capital : Rs.3,75,00,000

COMPLIANCE CERTIFICATE

To
The Board of Directors,
FT Knowledge Management Company Limited
FT Tower, CTS No. 256 & 257, Suren Road,
Chakala, Andheri (East),
Mumbai- 400099.

I have examined all the relevant books, registers, forms, documents and papers of **FT Knowledge Management Company Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and Companies Act, 2013 (the new Act) to the extent applicable and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company, for the purpose of issuing a Secretarial Compliance Certificate under Section 383A of the Act, read with the Companies (Compliance Certificate) Rules, 2001 (The Rules), for the financial year from 1st April, 2013 to 31st March, 2014.

Based on such examination as well as information and explanations furnished to me, which to the best of my knowledge and belief were necessary for the purposes of my certification, I hereby certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has duly filed the forms and returns, except as otherwise stated in **Annexure 'B'** to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. However, no forms or returns were filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met 6 (Six) times respectively on 5th April 2013, 28th May 2013, 28th August 2013, 17th September 2013, 5th October 2013 and 31st March 2014, in respect of which meetings notices were given and the proceedings were properly recorded and signed. The Company has not passed any board resolution by circulation.
5. The Company has not closed its Register of Members during the year.
6. The Annual General meeting for the financial year ended on 31st March 2013 was held on 24th September 2013 after giving notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the year.
8. The Company has not advanced any loans to its directors and / or persons of firms or companies referred to in Section 295 of the Act and Section 185 of the new Act, during the financial year.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries that need to be made in the register maintained under section 301 of the Act.
11. The Company did not seek any approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act, during the year.
12. The Company has not issued any duplicate share certificates during the financial year.

13. The Company has / was :
    (i) neither made any allotment of securities, nor received any application for transfer / transmission of securities during the financial year;
    (ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year;
    (iii) not required to post warrants to any members of the Company as no Dividend was declared during the financial year;
    (iv) no amounts lying in the credit of any account, which is required to be transferred to Investor Education and Protection Fund;
    (v) duly complied with the requirements pertaining to Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company was not required to appoint any Managing Director / Wholetime Director / Manager during the year.
16. The Company has not appointed any sole-selling agents during the year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any equity shares, debentures or other securities during the year.
20. The Company has not bought back any shares during the year.
21. There was no redemption of preference shares or debentures during the year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the year.
24. The Company has not borrowed any amount during the financial year.
25. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose. The Company has made investment in Mutual Funds during the year.
26. The Company has not altered the provisions of the memorandum with respect to the situation of the Company's registered office during the year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year.
30. The Company has not altered its Articles of Association during the year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the year, for offences under the Act, as informed to us.
32. As explained to us, the Company has not received any money as security from its employees during the year.
33. As explained to us, the Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

Place : Mumbai
Date : 29th May 2014

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

Annexure – A

Registers as maintained by the Company

1. Register of Members u/s 150 of the Act;
2. Register of Directors u/s 303 of the Act;
3. Register of Directors' shareholding u/s 307 of the Act;
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299 and 301 of the Act;
5. Minutes of the General Meetings and Board Meetings u/s 193 of the Act;
6. Attendance Registers of Board and General Body meetings.

Annexure – B

Forms and Returns as filed by the Company, during the year ended on 31st March, 2014.

Sr. No	eform No.	Under Sec.	Date of filing with ROC	SRN No	Particulars
1	20B	159	12.11.2013	Q23063191	Annual Return for the AGM held on 24th September 2013
2	66	383(A)	21.10.2013	Q15121379	Compliance Certificate for the year ended 31st March 2013
3	23AC & ACA XBRL	220	23.10.2013	Q16009409	Annual Accounts in XBRL format for the year ended 31st March 2013
4	32	303(2)	24.10.2013	B87598520	Appointment of Mr. Jinesh Panchali as Additional Director and cessation of Mr. Devendra Agrawal as Nominee Director wef 05.10.2013
5	32	303(2)	25.09.2013	B85346799	Appointment of Mr. Hariraj Chouhan as Nominee Director and cessation of Mr. Joseph Massey as Director of the Company wef 17.09.2013

Place : Mumbai
Date : 29th May 2014

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

INDEPENDENT AUDITOR'S REORT

To the Members of **FT Knowledge Management Company Limited**

We have audited the accompanying financial statements of FT Knowledge Management Company Limited, which comprise the Balance sheet as at March 31,2014, and the statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement,whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the profit and loss account, of the loss for the year ended on that date and

(c)in the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003 (the order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order. As required by section 227(3) of the act,we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424 W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 29.05.2014

ANNEXURE TO THE AUDITOR'S REPORT

FT Knowledge Management Company Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

i) In respect of its fixed assets:

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

(b) As explained to us, all the fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable, having regards to the size of the company and nature of its assets. As Informed to us no material discrepancies were noticed on such physical verification.

(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

ii) The company is not having inventories accordingly clause (ii) of the order is not applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has not taken unsecured loan from parties covered in the register maintained u/s 301 of the company Act 1956 consequently, the requirments of clause (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lac in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) According to the information and explanations given to us the company has adequate in- house Internal Audit system commensurate with the size and the nature of its business.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company's accumulated losses at the end of the financial year are more than 50% of net worth of Company. The Company has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

xiv) In our opinion and according to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other Investment. The Company has invested surplus fund in mutual funds. According to the information and explanation given to us proper records have been maintained of the transaction and timely entries have been made therein. The Mutual funds have been held by the company in its own name.

ANNEXURE TO THE AUDITOR'S REPORT

FT Knowledge Management Company Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken term loan during the year ,accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN : 118424 W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 29.05.2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

Particulars	Note No.	31st March 2014	31st March 2013
Equities and liabilities			
1 Shareholders' funds			
(a) Share capital	2	37,500,000	37,500,000
(b) Reserve and surplus	3	(18,875,363)	1,808,802
		18,624,637	**39,308,802**
2 Non current liabilities			
(a) Long -term provisions	4	632,996	1,005,556
(b) Deferred tax liabilities (net)	23	1,171,586	557,032
		1,804,582	**1,562,588**
3 Current liabilities			
(a) Trade payables	5	5,575,829	23,258,831
(b) Other current liabilities	6	1,181,545	4,423,247
(c) Short term provisions	7	215,342	909,622
		6,972,716	**28,591,700**
		27,401,935	**69,463,090**
Assets			
1 Non current assets			
(a) Fixed assets	8		
(i) Tangible assets		901,394	3,485,555
(ii) Intangible assets		6,364,855	7,650,959
(b) Long-term loans and advances	9	2,846,412	2,793,923
		10,112,661	**13,930,437**
2 Current assets			
(a) Current Investments	10	6,352,579	36,808,843
(b) Trade receivable	11	1,733,338	1,197,438
(c) Cash and bank balances	12	2,285,222	11,135,002
(d) Short term loans and advances	13	6,918,135	6,391,370
		17,289,274	**55,532,653**
		27,401,935	**69,463,090**
Summary of significant accounting policies	1		

The accompanying notes 20-29 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner

Membership No.: 106403
Place : Mumbai
Date : 29.05.2014

For and on behalf of the board.

Bandi Ramprasad
Director

Hariraj Chouhan
Director

Place : Mumbai
Date: 29.05.2014

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

Particulars	Note no.	31st March 2014	31st March 2013
CONTINUING OPERATION			
(I) Revenue			
Revenue from operations	14	33,515,354	99,700,610
Other income	15	1,327,609	2,080,775
Total revenue (I)		**34,842,963**	**101,781,385**
(II) Expenses			
Employee benefit expenses	16	23,446,900	28,610,240
Other expenses	17	28,673,911	48,612,600
Total expenditure (II)		**52,120,810**	**77,222,840**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		(17,277,848)	24,558,545
Depreciation and amortization	18	2,684,441	573,788
Finance cost	19	132	44,154
(IV) Profit before tax		**(19,962,420)**	**23,940,603**
Tax expense			
- Current tax (MAT)		-	4,636,857
- MAT entitlement		-	(894,060)
- (Excess)/Short provision of tax for earlier years		107,190	(242,080)
Net current tax expenses		**107,190**	**3,500,717**
- Deferred tax expense		614,554	557,032
(V) Total tax expensed from continuing operation		**721,745**	**4,057,749**
(VI) Profit / (Loss) for the year		**(20,684,165)**	**19,882,854**
(VII) Earnings per share	20		
Basic		(5.52)	5.30
Diluted		(5.52)	5.30
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes 20-29 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner

Membership No.: 106403
Place : Mumbai
Date : 29.05.2014

For and on behalf of the board.

Bandi Ramprasad
Director

Hariraj Chouhan
Director

Place : Mumbai
Date: 29.05.2014

CASH FLOW STATEMENT for the year ended 31st March, 2014 (CONT.)

(in ₹)

Particulars	31st March 2014		31st March 2013	
A. Cash flow from operating activities				
Net profit before tax		**(19,962,420)**		**23,940,603**
Adjustments for:				
Depreciation/ amortisation	2,684,441		573,788	
Interest expense	-		44,150	
Loss on sale of fixed assets/ written off	532,104		31,325	
Dividend income	(1,048,044)		(857,324)	
		2,168,501		(208,061)
Operating profit before working capital changes		**(17,793,920)**		**23,732,542**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(535,900)		14,383,513	
Short-term loans and advances	3,118,907		(5,724,280)	
Long-term loans and advances	(52,489)		(2,733,161)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(17,683,002)		21,205,044	
Other current liabilities	(3,241,702)		3,724,196	
Other long-term liabilities	-		-	
Short-term provisions	(694,280)		(45,493)	
Long-term provisions	(372,560)		(228,375)	
		(19,461,026)		30,581,444
Cash from operations		**(37,254,945)**		**54,313,986**
Less: Taxes paid (net of refund)		(3,752,862)		1,061,756
Net cash flow from operating activities		**(41,007,807)**		**55,375,742**
B. Cash flow from investing activitie				
Purchase of fixed assets		-		(8,420,116)
Sale of fixed assets		653,720		21,083
Purchase of investments		(23,852,006)		(85,703,523)
Proceeds from sale of investments		54,308,271		48,894,680
Dividend income		1,048,044		857,324
Net cash flow used in investing activities		**32,158,028**		**(44,350,553)**
C. Cash flow from financing activities				
Repayment of borrowing		-		(10,479,343)
Interest expense		-		(44,150)
Net cash flow (used in)/ from financing activities		**(1)**		**(10,523,492)**
Net cash flow during the year (A+B+C)		**(8,849,780)**		**501,697**
Net increase in cash and cash equivalents		**(8,849,780)**		**501,697**
Cash and cash equivalents (opening balance)		**11,135,002**		**10,633,305**
Cash and cash equivalents (closing balance)		**2,285,222**		**11,135,002**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts.
   Cash and cash equivalents includes:

Particulars	31st March 2014	31st March 2013
Cash balance	-	-
Bank balances:		
- In Current Account	2,285,222	11,135,002
	2,285,222	**11,135,002**

2. Purchase of fixed assets as stated during the year are considered as part of investing activities.
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) " Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
4. Previous year's figures have been regrouped, rearranged reclassified wherever necessary to correspond with the figures of the current year as required under revised schedule VI.

The notes referred to above form an integral part of the financial statements.

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner

Membership No.: 106403
Place : Mumbai
Date : 29.05.2014

For and on behalf of the board.

Bandi Ramprasad
Director

Hariraj Chouhan
Director

Place : Mumbai
Date: 29.05.2014

NOTES to financial statements for the year ended 31st March, 2014 (CONT.)

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or noncurrent as per the company's normal operating cycle and other criteria as set out in the revised schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortization

Upto 31st December 2013, depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Act whichever is higher.

Depreciation in respect of assets costing less than ₹5,000 each is fully depreciated in the year of capitalisation

Intangible assets are amortised over their estimated useful life as follows:

Patent & trademarks -8 years

Computer software – 6 years

Effective 1st January, 2014, the Management has revised the estimated useful life of the following categories of assets as under.

Asset	Revised useful life
(a) Motor Vehicle	8 Years
(b) Office Equipment (Including Electrical Installations & Equipment)	2 to 10 Years
(c) Computer Hardware	3 to 6 Years
(d) Patent and Trademarks	8 years
(e) Technical know-how and computer software	6 years

Depreciation on assets sold, discarded or demolished during the year is being provided at their rate up to the date in which such assets are sold, discarded or demolished.

1.5 Revenue recognition

Revenue is recognized when no significant uncertainty as to determination or realization exists.

Income from coaching and training fees and consultancy fees are recognized as per the terms of the contract and when the services are provided. Income from services is stated net of service tax wherever applicable.

1.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.7 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

NOTES to financial statements for the year ended 31st March, 2014

1.8 Intangible assets

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

1.9 Investments

Investments are classified as current investments and long term investments . Current investments are carried at the lower of cost and un-quoted/ market value. Long term investments are valued at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management.The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.10 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

"Foreign currency monetary items of the company outstanding at the balance sheet date are restated at the year-end rates.

Exchange differences arising out of these translations are charged to the statement of Profit and Loss."

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the company are recognised as income or expense in the statement of profit and loss.

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

1.11 Employee benefits

Post employment benefits and other long term benefits

Company's contribution to provident fund is charged to profit and loss account. The company's liability towards gratuity is funded through a scheme (Group Gratuity) administered by the Life Insurance Corporation of India. Leave encashment on retirement is provided on actual basis in accordance with the company's scheme in this respect

Defined benefit plans

For defined benefit schemes and other long term benefit plans viz. gratuity and leave encashment expected to occur after twelve months, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at balance sheet date. Actuarial gains and losses are recognized in full in the statement of profit and loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of the available refunds and reduction in contributions to the scheme

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

1.12 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to statement of profit & loss.

1.13 Taxes on income

Income taxes are accounted for in accordance with accounting standard (AS-22) "Accounting for taxes on income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

NOTES to financial statements for the year ended 31st March, 2014 (CONT.)

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

1.14 Impairment of assets

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

1.15 Impairment of assets

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.
Contingent liabilities are disclosed by way of notes to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved.
Contingent assets are neither recognized nor disclosed.

(in ₹)

2	SHARE CAPITAL	31st March 2014		31st March 2013	
		Nos.	**₹**	**Nos.**	**₹**
	Authorised:				
	Equity shares of ₹10/- each	3,750,000	37,500,000	3,750,000	37,500,000
	Preference shares of ₹10/- each	250,000	2,500,000	250,000	2,500,000
		4,000,000	**40,000,000**	**4,000,000**	**40,000,000**
	Issued, subscribed & paid up:				
	Equity shares issued of ₹ 10/- each fully paid up	37,500,00	37,500,000	3,750,000	37,500,000
		3,750,000	**37,500,000**	**3,750,000**	**37,500,000**
a)	Reconciliation of the equity shares outstanding at the beginning and at the end of the year.				
	At the beginning of the year	3,750,000	37,500,000	3,750,000	37,500,000
	Issued during the year	-	-	-	
	Outstanding at the end of the year	3,750,000	37,500,000	3,750,000	37,500,000

The company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

(in ₹)

		31st March 2014		31st March 2013	
		Nos.	**₹**	**Nos.**	**₹**
b)	Shares held by holding company				
	Financial Technologies (India) Ltd.	3,750,000	37,500,000	3,750,000	37,500,000
c)	Details of the shareholders holding more than 5% of the shares in the company	**Nos.**	**% holding**	**Nos.**	**% holding**
	Financial Technologies (India) Ltd.	3,750,000	100	3,750,000	100

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
3	**RESERVES AND SURPLUS**		
	Surplus /(deficit) in the statement of profit and loss		
	Balance as per last financial statements	1,808,802	(18,074,052)
	Add: Profit/(Loss) for the year	(20,684,165)	19,882,854
	Net surplus/(deficit) in the statement of profit and loss	**(18,875,363)**	**1,808,802**
4	**LONG-TERM PROVISION**		
	Provision for leave encashment	632,996	1,005,556
		632,996	**1,005,556**
5	**TRADE PAYABLES**		
	Trade payables	5,575,829	23,258,831
	(refer note 27 for details of dues to micro and small enterprises)		
		5,575,829	**23,258,831**
6	**OTHER CURRENT LIABILITIES**		
	Statutory payable		
	Service Tax Payables	272	272
	TDS payables	425,579	2,917,705
	Other (PF/VAT/PT etc.)	99,759	161,722
	Advance received from customers	493,400	1,060,955
	Contractually reimbursements/ payables	162,535	282,593
		1,181,545	**4,423,247**
7	**SHORT-TERM PROVISIONS**		
	Provision for gratuity	28,955	410,094
	Provision for leave encashment	186,387	499,528
		215,342	**909,622**

NOTES to financial statements for the year ended 31st March, 2014

8 FIXED ASSETS

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	Cost as at 01.04.2013	Additions	Deletion/ Adjustments	Cost as at 31.03.2014	Upto 01.04.2013	For the year	Deletions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2012
TANGIBLE ASSETS										
Office equipments	959,044	-	296,456	662,588	241,727	486,471	91,456	636,743	25,846	717,317
Computer hardware	2,047,584	-	592,036	1,455,547	1,009,868	657,759	410,319	1,257,308	198,240	1,037,716
Motor car	2,367,591	-	884,263	1,483,328	637,070	254,106	85,156	806,021	677,307	1,730,521
	5,374,219	**-**	**1,772,755**	**3,601,463**	**1,888,665**	**1,398,337**	**586,931**	**2,700,071**	**901,393**	**3,485,554**
Intangible assets										
(Other than internally generated)										
Patent, trademark & designs	100,000	-	-	100,000	46,404	12,503	-	58,907	41,093	53,596
Computer software	7,640,076	-	-	7,640,076	42,712	1,273,601	-	1,316,313	6,323,763	7,597,364
	7,740,076	**-**	**-**	**7,740,076**	**89,116**	**1,286,104**	**-**	**1,375,220**	**6,364,856**	**7,650,960**
Total	**13,114,295**	**-**	**1,772,755**	**11,341,539**	**1,977,781**	**2,684,441**	**586,931**	**4,075,291**	**7,266,249**	**11,136,514**
Previous Year	**4,844,432**	**8,420,116**	**150,253**	**13,114,295**	**1,501,838**	**573,789**	**97,846**	**1,977,781**	**11,136,514**	

NOTES to financial statements for the year ended 31st March, 2014 (CONT.)

(in ₹)

		31st March 2014	31st March 2013
9	**LONG-TERM LOANS AND ADVANCES**		
	Other loan and advances		
	Prepaid expenses	31,604	3,086
	Balances with statutory/Government Authorities-Deposits	25,000	25,000
	Tax deducted at source (net of provision for tax)	2,789,809	2,765,837
		2,846,412	**2,793,923**
10	**CURRENT INVESTMENT**		
	Non Trade - Current Investments		
	Unquoted		
	-In Mutual Funds		
	6,317.72 (previous year: Nil) units of ₹1000/- each of Canara Robeco Treasury Advantage Fund - Direct Daily Dividend Reinvestment (NAV @ ₹1005.50 per unit as on 31st March, 2014)	6,352,579	36,808,843
	NOTE:		
	1) Aggregate Value of Unquoted Investments	**6,352,579**	**36,808,843**
11	**TRADE RECEIVABLES**		
	Unsecured, considered good unless stated otherwise Trade receivables outstanding for a period exceeding six months from date they are due for payment		
	Unsecured, considered good	1,731,032	470,674
		1,731,032	**470,674**
	Other trade receivables		
	- Unsecured, considered good	2,306	726,764
		2,306	**726,764**
		1,733,338	**1,197,438**
12	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Cash and cheques on hand	-	3,012,485
	Bank balances:		
	With scheduled banks		
	- in Current account	2,285,222	8,122,517
		2,285,222	**11,135,002**
13	**SHORT-TERM LOANS AND ADVANCES**		
	Advances recoverable in cash or kind or for value to be received		
	Unsecured, considered good	162,385	279,000
		162,385	**279,000**
	Other loan and advances		
	Prepaid expenses	112,784	296,653
	Loans to employees	107,062	284,844
	MAT entitlement	-	894,060
	Balances with statutory/ government authorities	2,585,316	3,437,836
	Tax deducted at source (net of provision for tax)	3,950,588	1,198,977
		6,755,750	**6,112,370**
		6,918,135	**6,391,370**

(in ₹)

14	REVENUE FROM OPERATIONS	31st March 2014	31st March 2013
	Sale of services	**33,515,354**	**99,700,610**
		33,515,354	**99,700,610**
	Details of services rendered :		
	Coaching & training fee	33,515,354	58,370,078
	Consultancy fee	-	41,330,532
		33,515,354	**99,700,610**
15	**OTHER INCOME**		
	Dividend from:		
	- Current investments	1,048,044	857,324
	Interest income from:		
	- Others	-	285,848
	Miscellaneous income	279,564	82,517
	Foreign exchange rate difference (net)	-	855,086
		1,327,609	**2,080,775**
16	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and bonus (net of recovery)	22,448,725	26,963,161
	Contribution to provident fund and other funds	771,242	881,786
	Gratuity	-	589,985
	Staff welfare expenses	226,933	175,308
		23,446,900	**28,610,240**
17	**OTHER EXPENSES**		
	Rent and amenities	5,965,179	7,120,271
	Training & honorarium charges	4,658,044	4,649,967
	Royalty charges	92,453	175,498
	Electricity charges	888,624	690,561
	Travelling and conveyance	2,144,985	3,919,733
	Payment to auditor (refer details below)	75,000	208,010
	Legal and professional charges	1,679,490	17,583,116
	Business promotion expenses	3,849,770	4,337,845
	Printing and stationery	667,780	2,004,299
	Repairs and maintenance- others	456,587	646,675
	Insurance expenses	168,081	61,731
	Common shared service cost	3,600,000	3,600,000
	Loss on sale of fixed assets	532,104	31,325
	Gain/Loss from sale of investments	4,232	-
	Foreign exchange rate difference (net)	113,654	-
	Miscellaneous expenses *	3,777,929	3,583,569
		28,673,911	**48,612,600**

*(includes software license fee, office expenses, Security service charges etc…)

NOTES to financial statements for the year ended 31st March, 2014 (CONT.)

(in ₹)

Details of Payment to Auditors:		
As auditor :		
Audit fee	75,000	75,000
In other capacity		
Taxation matters	-	122,500
other services		10,510
	75,000	**208,010**
18 DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation on tangible assets	1,398,337	534,512
Amortization of intangible assets	1,286,104	39,276
	2,684,441	**573,788**
19 FINANCE COST		
- Interest expense on		
- borrowing (to holding company on unsecured loan.)	-	44,150
- others	132	4
	132	**44,154**
20 EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net profit / (loss) after tax for calculation of basic EPS	(20,684,165)	19,882,854
Weighted average number of equity shares basic (nos.)	3,750,000	3,750,000
Weighted average number of equity shares diluted (nos.)	3,750,000	3,750,000
Basic earnings per share	(5.52)	5.30
Diluted earnings per share	(5.52)	5.30
Nominal value of equity share	10/-	10/-

21 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS

Gratuity plan: The company has made annual contributions to the gratuity-cum-life assurance (cash accumulation) scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following table sets out the status of the gratuity plan and amounts recognized in the company's financial statements as at 31st March, 2014:

Statement of profit and loss

Net employees benefit expense recognized in the employee cost

(in ₹)

	31st March 2014	31st March 2013
Current service cost		
Interest cost	232,924	173,197
Expected return on plant assets	(209,951)	(136,495)
Actuarial (gain) or loss	(600,287)	124,955
Expense recognised in statement of profit and loss	**(61,880)**	**589,985**
Actual return on plan assets	**217,542**	**195,735**

(in ₹)

	31st March 2014	31st March 2013
Balance sheet		
Benefit asset/liability		
Liability at the end of year	1,274,437	2,823,327
Fair value of the plan assets at the end of year	1,245,482	2,413,233
Plan asset (liability)	**(28,955)**	**(410,094)**
Changes in the present value of the defined benefit obligation are as follows :		
Projected benefit obligation at the beginning of the year	2,823,327	2,037,607
Interest cost	232,924	173,197
Current service cost	515,435	428,328
Benefit paid	(1,704,553)	-
Actuarial (gain) / loss on obligations	(592,696)	184,195
Projected benefit obligation at the end of the year	**1,274,437**	**2,823,327**
Changes in the fair value of plan assets are as follows :		
Fair value of the plan asset at the beginning of the year	2,413,233	1,587,156
Expected return on plan assets	209,951	136,495
Contributions	319,260	630,342
Benefits paid	(1,704,553)	-
Actuarial gain / (loss) on plan assets	7,591	59,240
Fair value of plan assets at the end of the year	**1,245,482**	**2413233**
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :		
Investments with insurer	**100%**	**100%**
The principal assumptions used in determining gratuity obligations for the company's plans are shown below :		
Mortality table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate	9.14%	8.25%
Expected rate of return on assets	9.14%	8.70%
Salary escalation rate	7.50%	7.50%
Employee turnover	For Service 4 yrs & Below 6% p.a. & 2% p.a. thereafter	For Service 4 yrs & Below 6% p.a. & 2% p.a. thereafter

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.

(in ₹)

	31st March 2014	31st March 2013
	Leave Encashment	**Leave Encashment**
	(Unfunded)	(Unfunded)
Actuarial assumptions for long term compensated absences		
Mortality table (LIC)	1994-96(Ultimate)	1994-96(Ultimate)
Discount rate	9.14%	8.25%
Expected rate of return on assets	9.14%	8.70%
Salary escalation rate	7.50%	7.50%
Employee turnover	For Service 4 yrs & Below 6% p.a. & 2% p.a. thereafter	For Service 4 yrs & Below 6% p.a. & 2% p.a. thereafter

22 RELATED PARTY DISCLOSURES

(A) Names of related parties and related party relationship :

(i) Company whose control exists (holding company)	Financial Technologies (India) Limited (since incorporation)
(ii) Fellow Subsidiaries (with whom transactions are carried out)	National Bulk Handling Corporation Limited
(ii) Associates of the holding company (where control exists) (with whom transactions are carried out)	Multi Commodity Exchange of India Limited
(iv) Key Management Personnel (KMP)	Mr. Bandi Ramprasad (Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(B) Related parties transactions :

Nature of transactions	Holding company		Fellow subsidiaries		Associate company of holding co. (where control exists) (refer footnote 2)				Key management personnel	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013	for the period / for the period end (in respect of MCX for the period 9 months upto 31 Dec., 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	Associates Company of holding Company (other than MCX) 31st March, 2014	31st March 2013	31st March 2014	31st March 2013
1) Sale/purchase of goods, services and assets										
a) Sale of assets	2,306	15,603	188,499							
b) Coaching & training fee charged to them	7,500	141,000	-	-	8,495,000	-	-	23,000,090		
c) Rent and amenities charges paid	5,965,179	5,334,221						1,786,050		
2) Interest paid.	-	44,150	-	-	-			-	-	-
3) Other reimbursement of expenses	-	-	-	-	-			-		
- Charged by them	8,695,888	7,822,325	-	8,609,122	69,654	22,799	-	175,498		
- Charged to them		119,536	-	-						
4) Salary and allowance including reimbursement		-	-	-				-	5,668,729	5,772,306
5) Loan taken and repayment thereof		-	-	-	-			-	-	-
Opening balances as at the beginning of the year		10,479,343	-	-	-			-	-	
Taken during the year		-	-	-	-			-	-	-
Repaid during the year		10,479,343	-	-	-			-	-	-
Closing balance as at the end of the year		-	-	-	-			-	-	-
6) Closing balance										
- Debit	2,306	-	-	-	1,679,782	1,679,782		-	-	-
- Credit	3,422,017	155,549		15,881,524		23,055		-	-	-

Note:
1) Related parties relationship is as identified by the company and relied upon by the auditors.
2) With effect from 26 December, 2013, as the holding company does not have any significant influence over MCX, however, transaction with MCX from 1st January, 2014 to 31st March, 2014 and balances outstanding as at 31st March, 2014 have been disclosed as additional information.

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

(C) MAJORE TRANSACTIONS WITH FELLOW SUBSIDIARIES AND ASSOCIATED ENTERPRISE OF HOLDING COMPANIES	for the period / for the period end (in respect of MCX for the period 9 months upto 31 Dec., 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	31st March 2014	31st March 2013
(a) Sale of assets				
National Bulk Handling Corporation Limited			188,499	
(b) Coaching & training fee charged to them				
Multi Commodity Exchange of India Limited	8,495,000	-	-	23,000,090
(c) Rent and amenities charges paid				
Multi Commodity Exchange of India Limited				1,786,050
3 Other reimbursement of expenses				
- Charged by them				
Multi Commodity Exchange of India Limited	69,654	22,799	-	175,498
Tickerplant Limited				7,905,600
Takshashila Academia of Economic Research Limited				700,000
7 Closing balance				
- Debit				
Multi Commodity Exchange of India Limited	1,679,782	1,679,782	1,679,782	
- Credit				
Multi Commodity Exchange of India Limited		23,055		
Tickerplant Limited				(7,584,300)
Takshashila Academia of Economic Research Limited				(707,868)

NOTES to financial statements for the year ended 31st March, 2014 (CONT.)

(in ₹)

23	DEFERRED TAX LIABILITY (NET)	31st March 2014	31st March 2013
	Deferred tax liability		
	Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	1,446,872	1,208,001
	Others	-	-
	Gross deferred tax liability	**1,446,872**	**1,208,001**
	Deferred tax asset		
	Carry forward losses	-	-
	Provision for diminution in the value of investments	-	-
	Provision for doubtful debts	-	-
	Provision for Gratuity/Leave encashment	275,286	650,969
	Gross deferred tax asset	275,286	650,969
	Deferred tax Liability	**1,171,586**	**557,032**

24	CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)		
	a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
	b) Contingent liabilities not provided for	NIL	NIL
		NIL	NIL

25	EXPENDITURE IN FOREIGN CURRENCY (accrual basis)		
	Travelling,conveyance, Lodging & Boarding	104,425	705,078
	Bank charges	-	2,567
	Printing & stationary expenses	-	653,799
	Business promotion expenses	8,970	372,874
	Subscription & membership	-	41,736
	Communication expenses	5,797	246,626
	Others	45,652	3,584
		164,844	**2,026,264**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
26	**EARNINGS IN FOREIGN CURRENCY (accrual basis)**	**31st March 2014**	**31st March 2013**
	Coaching & training fee	2,599,303	4,974,014
	Consultancy fees	-	16,657,787
	Travelling and conveyance	-	3,002,736
	Others	-	802,015
		2,599,303	**25,436,552**
27	**DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006**		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
		-	-

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

28 The Company is engaged in the business of providing coaching, training and consultancy. The Company has considered business segment as Primary segment. Thus there is only one identified reportable segment.

29 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner

Membership No.: 106403
Place : Mumbai
Date : 29.05.2014

For and on behalf of the board.

Bandi Ramprasad
Director

Hariraj Chouhan
Director

Place : Mumbai
Date: 29.05.2014

DIRECTORS' REPORT

To,

The Members,

Your Directors present their Tenth Annual Report to the Members along with the Audited statement of accounts for the financial year ended March 31, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. FINANCIAL RESULTS AND OPERATIONS:

(In INR)

Particulars	FY 2013-14	FY 2012-13
Total Income	23,52,82,335	21,89,95,142
Total expenditure	29,10,88,534	28,34,60,692
Profit / Loss before tax	(5,58,06,199)	(6,44,65,550)
Provisions for Tax	-	-
Profit / Loss After tax	(5,58,06,199)	(6,44,65,550)
Balance to be carried forwarded	(15,90,19,435)	(10,32,13,236)

2. BUSINESS OUTLOOK

2013-14 was a tough year for the financial markets in India. The economic stability continued to be a concern for the Industry and the uncertainty over political stability further dampened the sentiment as once again people expected a hung parliament in the outcome of elections which were held at the beginning of the new financial year 2014-15.

The retail participation continued to be at a 9 year low in India with many investors, brokers, sub brokers and traders choosing to opt out of the financial markets hoping for the good time to come. Some 1500 brokers & 15000 sub brokers shut shop in the 9 months from April – Dec 2013.

Corporate Houses, Banks & Brokerage houses underwent a tight exercise of cost reengineering to save on operating cost and cut down on every possible service/resource which was not adding value to their business.

As a result of the above restraints, the market growth for market data terminals was greatly restricted and the overall Industry also faced tough times in the face of CTT implementation, lower daily volumes in Commodities, Forex & Equity markets, Costs went up due to increase in exchange fees, rupee depreciation further affected the costs with rupee touching a life time low of ₹68 and more.

TickerPlant, in the midst of these challenges, managed to put up a good show and grew the business in a competitive and morbid market environment.

Key Highlights 2013-14

- Revenue growth - 7%.
- Growth in Market View Terminal® Revenues - 18%.
- Growth in Market View Mobile® Revenues - 17%

Key Project /Wins

- SBI project – Feed integration into Risk Management system for all 5 SBI Associate Banks, UAT conducted successfully.
- Increase in category contribution for Banks/FIs and Corporates.
- Roll out of 7 product version upgrades for the year, one every 2nd month.
- Expanded News coverage by asset class which was well appreciated by the market.

Developments

- TickerPlant further penetrated clients spanning all the major Banks, Financial Institutions, Corporate groups, Brokerage houses & more. it solidified its position in the market with a better brand recall.
- The product gained strength and assisted the market participants in accessing real-time global financial market information at a cost effective price.
- MarketView Mobile continued to be the Market leader in the segment.

DIRECTORS' REPORT

Products & Services

- Market View Terminal® - The real time market data terminal with low latency and features like advanced charting, news and analytics. The coverage includes global & domestic exchanges across asset classes.
- Market View Mobile® - The only real time streaming application for market participants to track the markets real time while on the move. It offers advanced charting and news as well and is a market leader in this category.
- Market View Pro - The advanced version of MVT with high end analytical tools and features giving an up to date data on 3000 listed companies. Some of the prominent features being peer group comparison, screeners, 'what if' analysis and more.
- Raw Data Feed - TickerPlant delivers custom-built data and content datasets as raw data-feed. It provides stock & commodity quotes and news for use or redistribution.
- XML/Web based services - Offers stock quotes, news, headlines, and information feeds which are delivered via extensible Markup Language (XML/Web services/Web pages). Optimized for Corporate portals, Intranets and websites.

3. DIVIDEND:

Since the Company has incurred loss during the year under review, your Directors do not recommend any dividend.

4. TRANSFER TO RESERVES

No amount is transferred to the Statutory Reserves during the year under review.

5. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

6. LOANS:

As at March 31, 2014, the Unsecured Loans stood at ₹12,43,62,000/-.

7. FIXED DEPOSITS:

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

8. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Dewang Neralla – Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Dewang Neralla in the ensuing Annual General Meeting.

Mr. Nimish Talsania was appointed as an additional Director on the Board of the Company w.e.f. 30th September 2013 and was later appointed as Managing Director of the Company w.e.f. 1st November 2013. Mr. Sriram Kollengode was appointed as an Additional Director of your Company with effect from 30th September, 2013. In accordance with Section 161 of the Companies Act, 2013, Mr. Sriram Kollengode will hold office up to the forthcoming Annual General Meeting and his appointment is subject to the approval of members in the general meeting.

Your Directors recommend the appointment of Mr. Sriram Kollengode on the Board of the Company.

Mr. R. Devarajan, Mr. Hariraj Chouhan and Mr. Devendra Agrawal ceased to be the Directors of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. R. Devarajan, Mr. Hariraj Chouhan and Mr. Devendra Agrawal during their association with the Company.

The other Directors continue to be on the Board of your Company.

DIRECTORS' REPORT

9. AUDITORS:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 of the Companies Act,2013 read with the Companies (Audit and Auditors) Rules 2014.

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

10. AUDITORS REPORT:

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Your Company is not engaged in manufacturing activities; hence furnishing of details relating to conservation of energy is not applicable. Your Company is committed for adoption of various energy saving methods for conservation of energy. Your Company endeavors to carry out In-House R & D activities. The Company is making efforts to develop its export promotion.

Foreign Exchange earning : ₹4,20,775/- (Previous Year: ₹7,50,474/-)

Foreign Exchange outgo : ₹4,73,27,257/- (Previous Year: ₹5,18,48,505/-)

12. PARTICULARS OF EMPLOYEES:

None of the employees of your Company are in receipt of remuneration exceeding the limit laid down in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, hence no such particulars are annexed to this report.

13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2013-14 and of the loss made by Company for that period;

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

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

14. COMPLIANCE CERTIFICATE:

In accordance with the provisions of Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules 2001, your Company has obtained necessary certificate from a Practicing Company Secretary to that effect. A copy of the same is attached with this report.

15. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 07.08.2014

Dewang Neralla Director
Nimish Talsania Director

CS Abdul Karim Kazi
Practicing Company Secretary
Room No. 2, House No. 2,
Near Little Flower High School,
Kamgar Road, Andheri (E)
Mumbai - 400 069.
e-mail: proagile@pcsllp.com
cell : 98211 67216

CIN : U72900MH2005PLC151034
Paid up Capital : Rs.4,14,25,000/-

COMPLIANCE CERTIFICATE

To
The Board of Directors,
Tickerplant Limited
FT Tower, CTS No. 256 & 257, Suren Road,
Chakala, Andheri (East),
Mumbai- 400093.

I have examined all the relevant books, registers, forms, documents and papers of **Tickerplant Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and Companies Act, 2013 (the new Act) to the extent applicable and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company, for the purpose of issuing a Secretarial Compliance Certificate under Section 383A of the Act, read with the Companies (Compliance Certificate) Rules, 2001 (The Rules), for the financial year from 1st April, 2013 to 31st March, 2014.

Based on such examination as well as information and explanations furnished to me, which to the best of my knowledge and belief were necessary for the purposes of my certification, I hereby certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has duly filed the forms and returns, except as otherwise stated in **Annexure 'B'** to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. However, no forms or returns were filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met 7 (Seven) times respectively on 5th April 2013, 27th May 2013, 8th August 2013, 26th August 2013, 30th September 2013, 22nd November 2013 and 30th January 2014, in respect of which meetings notices were given and the proceedings were properly recorded and signed. The Company has not passed any board resolution by circulation.
5. The Company has not closed its Register of Members during the year.
6. The Annual General meeting for the financial year ended on 31st March 2013 was held on 24th September 2013 after giving notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the year.
8. The Company has not advanced any loans to its directors and / or persons of firms or companies referred to in Section 295 of the Act and Section 185 of the new Act, during the financial year.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has made necessary entries that need to be made in the register maintained under section 301 of the Act.
11. The Company did not seek any approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act, during the year.
12. The Company has not issued any duplicate share certificates during the financial year.

13. The Company has / was :
    (i) neither made any allotment of securities, nor received any application for transfer / transmission of securities during the financial year;
    (ii) not deposited any amount in a separate bank account as no dividend was declared during the financial year;
    (iii) not required to post warrants to any members of the Company as no Dividend was declared during the financial year;
    (iv) no amounts lying in the credit of any account, which is required to be transferred to Investor Education and Protection Fund;
    (v) duly complied with the requirements pertaining to Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company was not required to appoint any Managing Director / Wholetime Director / Manager during the year.
16. The Company has not appointed any sole-selling agents during the year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any equity shares, debentures or other securities during the year.
20. The Company has not bought back any shares during the year.
21. There was no redemption of preference shares or debentures during the year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the year.
24. The amounts borrowed by the Company during the year are within the borrowing limits of the Company and the necessary resolutions as per Section 293(1)(d) of the Act have been passed in a duly convened Extra ordinary general meeting.
25. The Company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose. The Company has made investment in Mutual Funds during the year in compliance with the provisions of the Act.
26. The Company has not altered the provisions of the memorandum with respect to the situation of the Company's registered office during the year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year.
30. The Company has not altered its Articles of Association during the year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the year, for offences under the Act, as informed to us.
32. As explained to us, the Company has not received any money as security from its employees during the year.
33. As explained to us, the Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

Place : Mumbai
Date : 28th May 2014

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

Annexure – A

Registers as maintained by the Company

1. Register of Members u/s 150 of the Act;
2. Register of Directors u/s 303 of the Act;
3. Register of Directors' shareholding u/s 307 of the Act;
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299 and 301 of the Act;
5. Minutes of the General Meetings and Board Meetings u/s 193 of the Act;
6. Attendance Registers of Board and General Body meetings.

Annexure – B

Forms and Returns as filed by the Company, during the year ended on 31st March, 2014.

Sr. No	eform No.	Under Sec.	Date of filing with ROC	SRN No	Particulars
1	20B	159	08.11.2013	Q22597306	Annual Return for the AGM held on 24th September 2013
2	66	383(A)	21.10.2013	Q15222524	Compliance Certificate for the year ended 31st March 2013
3	23AC & ACA XBRL	220	23.10.2013	Q15895964	Annual Accounts in XBRL format for the year ended 31st March 2013
4	32	303(2)	25.09.2013	B85266278	Appointment of Mr. Hariraj Shankarsingh Chouhan as Additional Director of the Company and cessation of Mr. R. Devarajan as Director of the Company wef 08.08.2013
5	32	303(2)	14.10.2013	B86781788	Appointment of Mr. Hariraj Shankarsingh Chouhan by the members of the Company in the AGM held on 24.09.2013
6	32	303(2)	18.10.2013	B87080180	Appointment of Mr. Nimish Talsania and Sriram Kollengode as Additional Directors of the Company wef 30.09.2013 and cessation of Mr. Devendra Agrawal – Nominee Director and Hariraj Shankarsingh Chouhan – Director wef 30.09.2013.
7	32	303(2)	19.12.2013	B91873539	Appointment of Mr. Nimish Talsania as Managing Director of the Company wef 01.11.2013, with additional fees
8	25C	269	30.01.2014	B94976321	Appointment of Mr. Nimesh Talsania as Managing Director of the Company wef 01.11.2013

Place : Mumbai
Date : 28th May 2014

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

AUDITOR'S REPORT

To the Members of **TickerPlant Limited**

We have audited the accompanying financial statements of Tickerplant Limited, which comprise the Balance sheet as at March 31,2014, and the statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion..

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the statement of profit and loss, of the loss for the year ended on that date and

(c) In the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

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

As required by section 227(3) of the act, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424W

Chaturvedi V N
Partner
Membership No.106403

Place : Mumbai
Date : 28.05.2014

ANNEXURE TO THE AUDITOR'S REPORT

TickerPlant Limited (Referred to in paragraph **"Report on other legal and Regulatory Requirements"**)

i) In respect of its fixed assets:

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

(b) As explained to us, all the fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable, having regards to the size of the company and nature of its assets. As Informed to us no material discrepancies were noticed on such physical verification.

(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

ii) The company is not having inventories accordingly clause (ii) of the order is not applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has taken unsecured loan from one parties covered in the register maintained u/s 301 of the company Act 1956. The Maximum amount outstanding at any time during the year was ₹12.44 Crore (Excluding Interest) and year end balance is 12.44 Crore (Excluding Interest).

(f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the Loan taken are not prima facie prejudicial to the interest of the company.

(g) In our opinion and according to the information and explanation given to us, the payment of principal and interest is regular as per terms and conditions.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lac in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) According to the information and explanations given to us the company has adequate in- house Internal Audit system commensurate with the size and the nature of its business.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

(a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities however few delays were found in some cases.

(b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

(c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company's accumulated losses at the end of the financial year are more than 50% of net worth of Company. The Company has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

ANNEXURE TO THE AUDITOR'S REPORT

TickerPlant Limited (Referred to in paragraph **"Report on other legal and Regulatory Requirements"**)

xiv) In our opinion and according to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other Investment. The Company has invested surplus fund in mutual funds. According to the information and explanation given to us proper records have been maintained of the transaction and timely entries have been made therein. The Mutual funds have been held by the company in its own name.

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken term loan during the year, accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424W

Chaturvedi V N
Partner
Membership No.106403

Place : Mumbai
Date : 28.05.2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

Particulars	Note No.	31st March 2014	31st March 2013
EQUITIES AND LIABILITIES			
1 Shareholders' funds:			
(a) Share capital	2	41,425,000	41,425,000
(b) Reserve and surplus	3	(159,019,435)	(103,213,236)
		(117,594,435)	**(61,788,236)**
2 Non current liabilities			
(a) Other long term borrowings	4	99,192	174,677
(b) Long - term provisions	5	2,886,727	2,445,806
		2,985,919	**2,620,483**
3 Current liabilities			
(a) Short term borrowings	6	124,362,000	91,862,000
(b) Trade payables	7	47,411,697	15,824,213
(c) Other current liabilities	8	77,496,673	78,283,873
(d) Short term provisions	9	1,026,424	1,049,422
		250,296,794	**187,019,508**
		135,688,278	**127,851,755**
ASSETS			
1 Non current assets			
(a) Fixed assets:	10		
(i) Tangible assets		8,310,364	14,057,570
(ii) Intangible assets		583,438	880,800
(b) Long term loans and advances	11	13,179,855	12,370,985
(c) Other non-current assets	12	5,944	5,452
		22,079,601	**27,314,807**
2 Current assets			
(a) Current investments	13	17,277,905	-
(b) Trade receivable	14	25,464,357	30,016,685
(c) Cash and bank balances	15	16,321,111	21,480,027
(d) Short term loans and advances	16	54,545,304	49,040,236
		113,608,677	**100,536,948**
		135,688,278	**127,851,755**
Summary of significant accounting policies	1		

The accompanying notes 23 to 34 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28.05.2014

For and on behalf of the Board

Nimish P Talsania
Director

Shriram H Kollengode
Director

Place : Mumbai
Date : 28.05.2014

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

Particulars	Note no.	31st March 2014	31st March 2013
CONTINUING OPERATION			
(I) Revenue			
Revenue from operations	17	233,327,261	215,569,852
Other income	18	1,955,074	3,425,290
Total revenue (I)		**235,282,335**	**218,995,142**
(II) Expenditure			
Employee benefit expenses	19	94,064,783	88,584,221
Other expenses	20	180,393,091	184,512,969
Total expenditure (II)		**274,457,874**	**273,097,190**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		**(39,175,539)**	**(54,102,048)**
Depreciation and amortization	21	6,456,567	5,729,088
Finance costs	22	10,174,093	4,634,414
(IV) Profit/(loss) before tax		**(55,806,199)**	**(64,465,550)**
- Current tax (MAT)		-	-
(V) Total tax expensed from continuing operation		-	-
(VI) Profit/(loss) for the year (IV-V)		**(55,806,199)**	**(64,465,550)**
(VII) Earnings per share	23		
Basic		(13.47)	(15.56)
Diluted		(13.47)	(15.56)
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes 23 to 34 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28.05.2014

For and on behalf of the Board

Nimish P Talsania
Director

Shriram H Kollengode
Director

Place : Mumbai
Date : 28.05.2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

Particulars	31st March 2014		31st March 2013	
A. Cash flow from operating activities				
Net (loss)/ profit before tax		**(55,806,199)**		**(64,465,550)**
Adjustments for:				
Depreciation/ amortisation	6,456,567		5,729,088	
Profit on sale of investments	(14,417)		-	
Loss on sale / scrap of fixed assets (net)	123,152		243,235	
Dividend from investments	(1,807,958)		(205,075)	
Foreign exchange difference - unrealised	-		(10,196)	
Bad debts written off	1,310,378		1,454,071	
Interest expense	10,011,802		4,426,374	
		16,079,524		11,637,497
Operating (loss)/profit before working capital changes		**(39,726,675)**		**(52,828,053)**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	3,241,950		(25,144,242)	
Short-term loans and advances	6,911,341		8,098,889	
Long-term loans and advances	(808,870)		23,729,413	
Other current assets	-		21,336	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	31,587,484		2,996,175	
Other current liabilities	(787,200)		14,490,525	
Other long-term liabilities	(75,485)		(2,418,969)	
Short-term provisions	(22,998)		(371,242)	
Long-term provisions	440,921		(553,697)	
		40,487,143		20,848,187
Cash generated (used in)/ from operations		**760,468**		**(31,979,866)**
Less: Taxes paid		(12,416,409)		(20,744,764)
Net cash (used in)/ from operating activities		**(11,655,941)**		**(52,724,630)**
B. Cash flow from investing activities				
Purchase of fixed assets		(586,967)		(1,283,727)
Sale of fixed assets		51,816		400,856
Purchase of investments		(135,881,079)		(32,744,126)
Proceeds from sale of investments		118,617,099		34,204,964
Dividend from investments		1,807,958		205,075
Net cash from investing activities		**(15,991,173)**		**783,041**
C. Cash flow from financing activities				
Proceeds from borrowings		71,800,000		71,800,000
Repayment of Loan		(39,300,000)		(12,000,000)
Interest expense		(10,011,802)		(4,426,374)
Net cash from/ (used in) financing activities		**22,488,198**		**55,373,626**
Net cash flow during the year		**(5,158,916)**		**3,432,037**
Net increase in cash and cash equivalents		**(5,158,916)**		**3,432,037**
Cash and cash equivalents (opening balance)		**21,480,027**		**18,047,990**
Cash and cash equivalents (closing balance)		**16,321,111**		**21,480,027**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Cash and cash equivalents includes :

(in ₹)

	31st March 2014	31st March 2013
Cash and cheques on hand	-	2,801,274
Bank balances-in current account	16,321,111	18,678,753
- in deposit account (maturing within 3 months)	-	-
Cash and cash equivalents	**16,321,111**	**21,480,027**
- in deposit account (maturing more than 3 months)	5,400	5,400
- interest accured on fixed deposits	544	52
Cash and bank balances	**16,327,055**	**21,485,479**

2. Purchase of fixed assets are stated inclusive of movement of capital work in progress between the commencement and end of the year and are considered as part of investing activities
3. Cash flow statement has been prepared under the “Indirect Method” as set out in Accounting Standard (AS 3) “Cash Flow Statement” issued by The Institute of Chartered Accountants of India.
4. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI

The notes referred to above forms an integral part of the financial statement

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28.05.2014

For and on behalf of the Board

Nimish P Talsania
Director

Shriram H Kollengode
Director

Place : Mumbai
Date : 28.05.2014

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

'The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Upto 31st December 2013, depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Act whichever is higher.

Depreciation in respect of assets costing less than ₹5,000 each is fully depreciated in the year of capitalization.

Intangible assets are amortised over their estimated useful life as follows:

Trademarks and Patents are amortized at their available useful life of ten and twenty years respectively. Computer software and Technical Knowhow are amortized over six years considering their related useful lives.

Effective 1st January, 2014, the Management has revised the estimated useful life of the following categories of assets as under.

Asset	Revised useful life
(a) Motor Vehicle	8 Years
(b) Office Equipment (Including Electrical Installations & Equipment)	2 to 10 Years
(c) Computer Hardware	3 to 6 Years
(d) Trademarks	8 years
(e) Computer software	6 years

Depreciation on assets sold, discarded or demolished during the year is being provided at their rate up to the date in which such assets are sold, discarded or demolished.

1.5 Revenue recognition

<u>Income from services</u>

Revenue is recognized when no significant uncertainty as to determination or realization exists. Income from data feed services, fixed price contracts and product based services are recognized as per the terms of the contract and when the services are provided. Income from services is stated net of service tax wherever applicable.

<u>Sale of goods</u>

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

1.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.7 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.8 Intangible assets

Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any

NOTES to financial statements for the year ended 31st March, 2014

1.9 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the company outstanding at the Balance Sheet date are restated at the year-end rates."

Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the company are recognised as income or expense in the statement of profit and loss."

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

1.10 Investments

Investments are classified as current investments and are carried at the lower of cost and market value. The difference between average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.11 Employee benefits

Post employment benefits and other long term benefits

Company's contribution to provident fund is charged to profit and loss account. The company's liability towards gratuity is funded through a scheme (Group Gratuity) administered by the Life Insurance Corporation of India. Leave encashment on retirement is provided on actual basis in accordance with the company's scheme in this respect.

Defined benefit plans

For defined benefit schemes and other long term benefit plans viz. gratuity and leave encashment expected to occur after twelve months, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at balance sheet date. Actuarial gains and losses are recognized in full in the statement of profit and loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the lower of the amount determined as the defined benefit liability and the present value of the available refunds and reduction in contributions to the scheme

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

1.12 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

1.14 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

NOTES to financial statements for the year ended 31st March, 2014

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

1.15 Impairment of assets

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

1.16 Provisions and contingencies

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

(in ₹)

2 SHARE CAPITAL	31st March 2014		31st March 2013	
	Nos.	₹	Nos.	₹
Authorised:				
84,000,000 Equity Shares of ₹10/- each (Previous Year 84,000,000)	84,000,000	840,000,000	84,000,000	840,000,000
	84,000,000	**840,000,000**	**84,000,000**	**840,000,000**
Issued, subscribed & paid up:				
4,142,500 Equity Shares of ₹10/- each (Previous Year 4,142,500)	4,142,500	41,425,000	4,142,500	41,425,000
	4,142,500	**41,425,000**	**4,142,500**	**41,425,000**

a) Reconciliation of the equity shares outstanding at the begning and at the end of the year.

(in ₹)

	31st March 2014		31st March 2013	
	Nos.	₹	Nos.	₹
At the begnining of the year	4,142,500	41,425,000	4,142,500	41,425,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**4,142,500**	**41,425,000**	**4,142,500**	**41,425,000**

The company has only one class of equity shares having par value of ₹10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

b) Shares held by holding company

(in ₹)

	31st March 2014		31st March 2013	
	Nos.	₹	Nos.	₹
Financial Technologies (India) Ltd.	**40,42,500**	**40,425,000**	**4,042,500**	**40,425,000**

c) Details of the shareholders holding more than 5% of the shares in the company

(in ₹)

	31st March 2014		31st March 2013	
	Nos.	₹	Nos.	₹
Financial Technologies (India) Ltd.	**4,042,500**	**97.59**	**4,042,500**	**97.59**

NOTES to financial statements for the year ended 31st March, 2014

d) Note on capital reduction

In pursuance of the scheme of capital reduction approved by the equity shareholders at their Extra Ordinary General Meeting held on 2nd March 2012 and subsequently sanctioned by the Hon'ble High Court of Judicature at Bombay vide their order dated 27th April, 2012, effective date 1st march 2012 the Equity share capital of the company had been reduced during the previous year from ₹828,500,000 (82,850,000 Equity shares of ₹10/- each fully paid up) to ₹41,425,000/- (4,142,500 Equity shares of ₹10/- each fully paid up) on cancellation of existing equity share capital ₹787,075,000/-(78,707,500 equity shares of ₹10/- each fully paid up) held by Financial Technologies (India) Ltd for a consideration of ₹787,075/- by setting off of the debit balance in the Statement of Profit and Loss on the Effective date.

(in ₹)

		31st March 2014	31st March 2013
3	**RESERVES AND SURPLUS**		
	Surplus/ (deficit) in the statement of profit and loss		
	Balance as per last financial statements	(103,213,236)	(38,747,686)
	Add: Pofit/ (Loss) for the year	(55,806,199)	(64,465,550)
	Net deficit in the statement of profit and loss	**(159,019,435)**	**(103,213,236)**
4	**OTHER LONG TERM LIABILITIES**		
	Unearned revenue on services	99,192	174,677
		99,192	**174,677**
5	**LONG TERM PROVISIONS**		
	Provision for leave encashment	2,886,727	2,445,806
		2,886,727	**2,445,806**
6	**SHORT TERM BORROWINGS**		
	Unsecured loan from holding company - repayble on demand (refer note 25)	124,362,000	91,862,000
	(Unsecured loan is repayable on demand and cariies interest rate 8.25% to 10.25% p.a.)		
		124,362,000	**91,862,000**
7	**TRADE PAYABLES**		
	Trade payables	47,411,697	15,824,213
	(refer note 30 for details of dues to micro and small enterprises)		
		47,411,697	**15,824,213**
8	**OTHER CURRENT LIABILITIES**		
	Unearned revenue on services	64,571,899	62,401,707
	Advances from customers	4,487,957	5,945,586
	Other Payable		
	Service tax payables	-	479,105
	TDS payables	5,395,025	3,511,421
	Statutory-other (PF/VAT/PT etc)	355,108	414,421
	- Contractual reimbursmets/payables	223,549	5,531,633
	- Others payable	2,463,135	-
		77,496,673	**78,283,873**
9	**SHORT TERM PROVISIONS**		
	Provision for leave encashment	1,026,425	1,049,422
		1,026,425	**1,049,422**

NOTES to financial statements for the year ended 31st March, 2014

10 FIXED ASSETS

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	Cost as at 1st April 2013	Additions	Deletion/ Adjustments	Cost as at 31st March 2014	Upto 1st April 2013	For the year	Deletion/ Adjustments	Upto 31st March 2014	As at 31st March 2014	As at 31st March 2013
TANGIBLE ASSETS										
Office Equipment	902,075	-	27,000	875,075	195,833	253,966	4,741	445,058	430,017	706,242
Computer Hardware	30,304,758	586,969	391,704	30,500,023	19,205,070	5,638,938	238,992	24,605,016	5,895,007	11,099,688
Vehicles	2,540,478	-	-	2,540,478	288,837	266,302	-	555,139	1,985,339	2,251,641
	33,747,311	**586,969**	**418,704**	**33,915,576**	**19,689,740**	**6,159,205**	**243,733**	**25,605,213**	**8,310,363**	**14,057,570**
INTANGIBLE ASSETS										
(Other than internally generated)										
Trade Mark	540,408	-	-	540,408	289,329	67,226	-	356,555	183,853	251,079
Computer Software	2,932,491	-	-	2,932,491	2,302,770	230,136	-	2,532,906	399,585	629,721
	3,472,899	-	-	3,472,899	2,592,099	297,362	-	2,889,460	583,438	880,800
Total	**37,220,210**	**586,969**	**418,704**	**37,388,475**	**22,281,840**	**6,456,567**	**243,733**	**28,494,674**	**8,893,801**	**14,938,370**
Previous year	**37,538,823**	**1,283,727**	**1,602,340**	**37,220,210**	**17,511,001**	**5,729,088**	**958,248**	**22,281,840**	**14,938,370**	**-**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
11	**LONG TERM LOANS AND ADVANCES**		
	Security deposits		
	Unsecured, considered good	79,000	79,000
		79,000	**79,000**
	Advances recoverable in cash or kind or for value to be received		
	Unsecured, considered good	-	-
		-	**-**
	Other loan and advances		
	Prepaid expenses	24,723	21,750
	Loans to employees	-	275,958
	Balances with statutory/government authorities - deposits	25,000	25,000
	Tax deducted at source (net of provisions)	13,051,132	11,969,277
		13,100,855	**12,291,985**
		13,179,855	**12,370,985**
12	**OTHER NON-CURRENT ASSETS**		
	Deposits with original maturities of more than 12 months*	5,400	5,400
	Accrued interest on fixed deposit	544	52
		5,944	**5,452**
	*Deposits are in respect of securities against bank guarantees issued		
13	**CURRENT INVESTMENT**		
	Non Trade - Current Investments		
	Unquoted -'-in Mutual Funds		
	1656526.733 units (previous year NIL) of JM High Liquidity Fund Dir DDR NAV 10.4302 per unit	17,277,905	-
		17,277,905	**-**
	Note:		
	1) Aggregate Value of Unquoted Investments	**17,277,905**	**-**
14	**TRADE RECEIVABLES**		
	Unsecured, considered good unless stated otherwise		
	Debtors outstanding for a period exceeding six months from date they are due for payment		
	- Unsecured, considered good	3,408,494	510,434
	- doubtful	-	-
		3,408,494	**510,434**
	Other debtors less than six months		
	- Unsecured, considered good	22,055,863	29,506,251
	- doubtful	-	-
		22,055,863	**29,506,251**
		25,464,357	**30,016,685**
15	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Cash and cheques on hand	-	2,801,274
	Bank balances:		
	With scheduled banks:		
	- in current account	16,321,111	18,678,753
	Deposits with original maturities of less than 3 months	-	-
		16,321,111	**21,480,027**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
	Other bank balance (note (a) below)		
	Deposits with original maturities of more than 12 months	-	-
	Deposits with original maturities of more than 3 months but less than 12 months*	-	-
		-	-
		16,321,111	**21,480,027**
	*Deposits are in respect of securities against bank guarantees issued		
16	**SHORT TERM LOANS AND ADVANCES**		
	Security Deposits		
	Unsecured, considered good	-	-
		-	-
	Advances recoverable in cash or kind or for value to be received		
	Unsecured, considered good	86,067	413,253
		86,067	**413,253**
	Other loan and advances		
	Prepaid expenses	3,484,244	15,991,554
	Loans to employees	498,510	549,379
	Balances with statutory / government authorities	7,456,486	1,293,361
	Tax deducted at source (net of provision)	41,770,206	29,353,797
	Excess of fund over provision (provision for gratuity)*	1,249,790	1,438,892
		54,459,236	**48,626,983**
		54,545,303	**49,040,236**
	*In case of gratuity, as the provision amount is less than the funded amount, the excess is disclosed under loans and advances		
17	**REVENUE FROM OPERATIONS**		
	Sale of services		
	IT/ IT enabled services	233,327,261	215,569,852
		233,327,261	**215,569,852**
	Details of services rendered -IT/IT enabled services :		
	Income from data feed	10,358,523	12,500,568
	Consultancy charges	-	14,500,000
	Income from product services	221,233,660	184,716,159
	Other services	1,735,078	3,853,125
		233,327,261	**215,569,852**
18	**OTHER INCOME**		
	Dividend from :		
	- Current investments	1,807,958	205,075
	- Profit on sale of Investments	14,417	-
	Interest income from		
	- Bank deposit account	492	182,593
	- Others	56,430	629,673
	Other misc income	75,777	140,646
	Other non-operating Income	-	2,267,302
		1,955,074	**3,425,289**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

19	EMPLOYEE BENEFIT EXPENSES	31st March 2014	31st March 2013
	Salaries and bonus (net of recovery)	90,004,714	87,308,709
	Contribution to provident fund and other funds	2,295,103	2,532,384
	Gratuity	189,099	(2,580,184)
	Staff welfare expenses	1,575,867	1,323,312
		94,064,783	**88,584,221**
20	**OTHER EXPENSES**		
	Data feed expenses	105,138,485	104,862,648
	Legal and professional charges	1,413,349	684,708
	Rent & service charges	17,720,488	20,544,852
	Communication expenses	23,129,693	22,990,130
	Payment to auditors (refer note below)	525,000	738,820
	Electricity	3,123,900	2,949,838
	Managed service charges	9,909,046	10,207,338
	Travelling and conveyance	3,415,911	2,523,890
	Software licence fees	3,924,245	4,593,484
	ROC fees expense	5,097	252
	Advertisement expenses	44,824	98,570
	Office expenses	2,501,825	3,102,052
	Insurance	91,134	78,422
	Repairs and maintenance- others	5,203,504	6,009,605
	Foreign exchange rate difference(net)	61,456	118,100
	Bad debts written off	1,310,378	1,454,071
	Loss on sale of fixed assets	123,152	243,235
	Miscellaneous expenses*	2,751,604	3,312,954
		180,393,091	**184,512,969**
	*includes Recruitment charges, Membership and subscription fees, Printing and stationery expenses, Security charges, Business promotion expenses, etc)		
	Payment to auditor		
	As auditor :		
	Audit fee	225,000	225,000
	In other capacity		
	Tax Audit fee/Taxation matters	300,000	318,000
	Other services (certification fees)	-	195,820
		525,000	**738,820**
21	**DEPRECIATION AND AMORTIZATION EXPENSE**		
	Depreciation on tangible assets	6,159,205	5,170,539
	Amortization of intangible assets	297,362	558,549
		6,456,567	**5,729,088**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
22	**FINANCE COSTS**	**31st March 2014**	**31st March 2013**
	Interest expense on :		
	- borrowings (to holding company on unsecured loan) (Refer note 25)	9,616,334	4,426,368
	- others	395,468	6
	Bank charges	162,291	205,288
	Bank guarantee charges	-	2,752
		10,174,093	**4,634,414**
23	**EARNINGS PER SHARE (EPS)**		
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Total operations for the year		
	Net profit / (loss) after tax for calculation of basic EPS	(55,806,199)	(64,465,550)
	Weighted average number of equity shares basic (nos.)	4,142,500	4,142,500
	Weighted average number of equity shares diluted (nos.)	4,142,500	4,142,500
	Basic earnings per share	(13.47)	(15.56)
	Diluted earnings per share	(13.47)	(15.56)
	Nominal value of equity share	10/-	10/-
24	**GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS**		
	Gratuity Plan: The Company has made annual contributions to the Gratuity-cum-Life Assurance (Cash Accumulation) Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.		
	The following table sets out the status of the gratuity plan and amounts recognized in the Company's financial statements as at 31st March, 2014:		
	Statement of profit and loss		
	Net employees benefit expense recognized in the employee cost		
	Current service cost	1,307,902	1,125,902
	Interest cost	451,727	365,152
	Expected return on plant Assets	(616,437)	(258,982)
	Acturial (gain) or loss	(954,090)	(3,812,256)
	Expense Recognised in P & L	**189,102**	**(2,580,184)**
	Actual return on plan assets	**458,132**	**604,869**
	Balance sheet		
	Benefit asset/liability		
	Liability at the end of year	5,330,368	5,646,590
	Fair value of the plan assets at the end of year	6,580,158	7,085,482
	Plan asset/(liability)	**1,249,790**	**1,438,892**
	Changes in the present value of the defined benefit obligation are as follows :		
	Projected benefit obligation at the beginning of the year	5,646,590	4,173,167
	Interest cost	451,727	365,152
	Current service cost	1,307,902	1,125,902
	Liability transferred in	6,058	3,776,189
	Benefit paid	(969,514)	(327,451)
	Actuarial (gain) / loss on obligations	(1,112,395)	(3,466,369)
	Projected benefit obligation at the end of the year	**5,330,368**	**5,646,590**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

Changes in the fair value of plan assets are as follows :	31st March 2014	31st March 2013
Fair value of the plan asset at the beginning of the year	7,085,482	3,011,416
Expected return on plan assets	616,437	258,982
Transfer from other company/ Contribution	6,058	3,796,648
Benefits paid	(969,514)	(327,451)
Actuarial gain / (loss) on plan assets	(158,305)	345,887
Fair value of plan assets at the end of the year	**6,580,158**	**7,085,482**
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :		
Investments with insurer	100%	100%
The principal assumptions used in determining gratuity obligations for the company's plans are shown below :		
Mortality Table (LIC)	1994-96(Ultimate)	1994-96(Ultimate)
Discount Rate	9.31%	8.00%
Expected rate of return on assets	9.31%	8.70%
Salary escalation rate	7.50%	7.50%
Employee turnover	For 0 to 4 yrs 6% p.a. & 5 yrs and above 2%	For 0 to 4 yrs 6% p.a. & 5 yrs and above 2%

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

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

(in ₹)

Acturial assumptions for long term compensated absences	31st March 2014	31st March 2013
	Leave Encashment	Leave Encashment
	(Unfunded)	(Unfunded)
Mortality table (LIC)	1994-96(Ultimate)	1994-96(Ultimate)
Discount Rate	9.31%	8.00%
Expected rate of return on assets	9.31%	8.70%
Salary escalation rate	7.50%	7.50%
Employee turnover	For 0 to 4 yrs 6% p.a. & 5 yrs and above 2%	For 0 to 4 yrs 6% p.a. & 5 yrs and above 2%

25 RELATED PARTY DISCLOUSERS

(A) Names of related parties and related party relationship :

(i) Company whose control exists (Holding Company) : Financial Technologies (India) Limited (since incorporation)

(ii) Fellow Subsidiaries (with whom transactions are carried out) :
- National Bulk Handling Corporation Limited (NBHC)
- National Spot Exchange Limited (NSEL)
- Financial Technology Communication Limited (FTCL)
- Atom Technologies Limited (ATOM)
- FT Knowledge Management Company Ltd (FTKMC)

(iii) Associates of the Holding Company (where control exists) (with whom transactions are carried) :
- Multi Commodity Exchange of India Limited (MCX) (till 25.12.2013)
- MCX Clearing Corporation Limited (MCX-SX CCL)

(iv) Key Management Personnel (KMP) :
- Nimish P Talsania (Director) (w.e.f. 30.09.2013)
- Shriram H Kollengode (Director) (w.e.f. 30.09.2013)

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

(B) Related parties transactions

Nature of Transactions	Holding Companies (FTIL)		Fellow Subsidiaries		Associate company of holding co. (where control exists) (refer footnote 2)				Key Management Personnel	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013	For the period / for the period end (in respect of MCX for the period 9 months upto 31 December, 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	Associates Company of holding Company (other than MCX) 31st March, 2014	31st March 2013	31st March 2014	31st March 2013
Sale/Purchase of goods, services and Assets										
Sale of trading goods and installations		-		-						
Software setup and integration charges and other services charge,Subscription and data feed income	40,194	-	572,000	1,339,717	1,655,024	928,828	192,000	6,070,270		
Consulatancy Charges		-	-	14,500,000	-	-	-	-	-	-
Sale of assets	-	293,786	-	41,727	-	-	-	23,927		
Managed service charges paid	9,909,047	9,900,000	-	-	-	-	-	-		
Data feed expenses	-	-	-	108,400	3,151,200	1,135,000	-	3,850,000		
Business support charges paid	-	307,338	-	-	-	-	-	-		
Rent and aminities charges paid	17,704,888	16,901,029	15,600	33,172	-	-	-	-		
Purchase of assets	103,985	130,827	-	38,981	-	-	-	236,401		
Interest paid	9,616,334	4,423,192	-	-	-	-	-	-		
Consideraion on Cancellation of shares	-	-	-	-	-	-	-	-		
Other reimbursement of expenses										
- Charged by them	14,891,314	13,304,390	13,210,549	13,224,423	149,068	-	-	195,130	-	-
- Charged to them	-	-	-	229,411	-	-	-	978,074	-	510
Loan taken and repayment thereof										
Opening Balances	91,862,000	32,062,000								
Taken during the period	55,000,000	71,800,000								
Repaid during the year	22,500,000	12,000,000								
Conversion of Loan into Equity		-								
Closing balance as on 31st March 2014	124,362,000	91,862,000								
Salary and Allowances										
Nimish P Talsania (Director)									6,425,781	-
Shriram H Kollengode (Director)									3,486,598	-
Closing Balance										
- Debit	21,237	-	50,000	14,662,980	1,293,545	2,177,535	-	1,378,131		
- Credit	15,742,420	241,445	-	-		(17,250)	-	-		

Note:1) Related parties relationship is as identified by the company and relied upon by the auditors.

2) With effect from 26 December, 2013, as the holding company does not have any significant influence over MCX, however, transaction with MCX from 1st January, 2014 to 31st March, 2014 and balances outstanding as at 31st March, 2014 have been disclosed as additional information.

NOTES to financial statements for the year ended 31st March, 2014

(C) Major Related parties transactions (with Fellow Subsidiaries, Associated Enterprise of Holding company & KMP):

Particulars	For the period / for the period end (in respect of MCX for the period 9 months upto 31 December, 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	31st March 2014	31st March 2013
Software setup and integration charges and other services charge,Subscription and data feed income				
National Bulk Handling Corporation Ltd	-	-	72,000	187,565
National Spot Exchange Ltd	-	-	500,000	500,000
Multi Commodity Exchange of India Ltd	1,655,024	928,828	-	5,878,270
MCX Clearing Corporation Limited	-	-	192,000	192,000
Singapore Mercantile Exchange Ltd	-	-	-	246,552
FT Knowledge Management Company Ltd	-	-	-	405,600
Consulatancy Charges				
Financial Technology Communication Limited	-	-	-	7,000,000
FT Knowledge Management Company Ltd	-	-	-	7,500,000
Sale of assets				
National Spot Exchange Ltd	-	-	-	41,727
Multi Commodity Exchange of India Ltd	-	-	-	13,938
MCX Clearing Corporation Limited	-	-	-	9,989
Managed service charges paid				
Data feed expenses				
Multi Commodity Exchange of India Ltd	3,151,200	1,135,000	-	3,850,000
Business support charges paid				
Rent and aminities charges paid				
National Bulk Handling Corporation Ltd	-	-	15,600	33,172
Purchase of assets				
Atom Technologies Limited	-	-	-	38,981
Multi Commodity Exchange of India Ltd	149,068	-	-	236,401
Other reimbursement of expenses				
- Charged by them				
Financial Technology Communication Limited	-	-	13,200,000	13,200,000
Multi Commodity Exchange of India Ltd	-	-	149,068	195,128
- Charged to them				
National Spot Exchange Ltd	-	-	-	229,411
Multi Commodity Exchange of India Ltd	-	-	-	978,074
Closing Balance				
Debit balances				
Ft Projects Limited	-	-	50,000	-
Financial Technology Communication Limited			-	7,078,680
FT Knowledge Management Company Ltd			-	7,584,300
Multi Commodity Exchange of India Ltd	1,293,545	2,177,535	-	1,378,131
Credit balances				
Multi Commodity Exchange of India Ltd	-	(17,250)	-	-

NOTES to financial statements for the year ended 31st March, 2014

26 LEASES

Operating lease commitments : company as lessee

During the year, the company has entered into operating lease for its office. The Lease rentals/reimbursements recognized in the Profit and Loss Account during the year and future minimum lease payments under non-cancelable operating lease are as follows:

(in ₹)

	31st March 2014	31st March 2013
Lease Rentals	15,000,000	15,000,000
Future minimum lease payments:		
Not later than one year	15,000,000	10,000,000
Later than one year and not later than five years	10,000,000	Nil
Later than five years	Nil	Nil

27 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(in ₹)

		31st March 2014	31st March 2013
a)	Estimated amount of contract to be executed in capital account and not provided for (net of advances)	1,001,144	NIL
b)	For commitments relating to lease arrangements, please refer note 27	NIL	NIL
c)	Contingent liabilities not provided for (Secured by FDR upto Rs. 5400/-)	21600	21600

28 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(in ₹)

	31st March 2014	31st March 2013
Data and membership & subscription fees	46,859,598	50,771,522
Software license fee	362,353	928,011
Travelling expenses	26,275	-
Others	79,032	148,972
	47,327,257	**51,848,505**

29 EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

(in ₹)

	31st March 2014	31st March 2013
Subscription charges	420,775	750,474
	420,775	**750,474**

30 DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

(in ₹)

	31st March 2014	31st March 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	1,055,396
Interest due on above		-
	-	**1,055,396**

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

NOTES to financial statements for the year ended 31st March, 2014

31 The aggregate amount of revenue expenditure incurred during the year on research and development are shown in the respective heads of account is ₹17,245,773/- (previous year ₹16,262,560/-)

32 The Company is in process for appointment of Company Secretary as required by section 383 A of the Companies Act, 1956

33 The net worth of the company is negative as at 31st March 2014 but the company has business plans to recover the losses and on the basis of assurance and ongoing support from holding company -FTIL, the company's accounts has been prepared on "going concern" basis.

34 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28.05.2014

For and on behalf of the Board

Nimish P Talsania
Director

Shriram H Kollengode
Director

Place : Mumbai
Date : 28.05.2014

DIRECTOR'S REPORT

To,

The Members,

Your Directors present the Fifth Annual Report of your Company along with the Audited Statement of the accounts for the Financial Year ended March 31, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. FINANCIAL RESULTS AND OPERATIONS:

(In INR)

PARTICULARS	FY 2013-2014	FY 2012-2013
Total Income	-	-
Total Expenditure	19,190	24,670
Profit/(Loss) before Tax	(19,190)	(24,670)
Provision for Tax	-	-
Profit/ Loss after Tax	(19,190)	(24,670)
Balance carried to Balance Sheet	(1,71,282)	(1,52,092)

2. DIVIDEND:

During the year your Company incurred losses, hence no dividend has been recommended.

3. TRANSFER TO RESERVES

No amount is transferred to Statutory Reserves during the year under review in view of absence of adequate profits.

4. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. FIXED DEPSOITS:

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

6. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Dewang Neralla – Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Dewang Neralla in the ensuing Annual General Meeting.

During the year, Mr. Hariraj Chouhan was appointed as an Additional Director of your Company. In accordance with Section 161 of the Companies Act, 2013, Mr. Hariraj Chouhan will hold office up to the forthcoming Annual General Meeting and his appointment is subject to the approval of members in the general meeting.

Your Directors recommend the appointment of Mr. Hariraj Chouhan on the Board of the Company.

Futher during the year, Mr. Shreekant Javalgekar ceased to be the Director of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. Shreekant Javalgekar during his association with the Company.

The other Directors continue to be on the Board of your Company.

DIRECTOR'S REPORT

7. AUDITORS:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 of the Companies Act,2013 read with the Companies (Audit and Auditors) Rules 2014.

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

8. AUDITORS REPORT

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Your Company is committed for adoption of various energy savings methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations. Your Company also endeavors to carry out In-House R & D activities. During the year under review there was no Foreign Exchange earnings and outgo. There were no exports during the year under review and no exports are foreseen by the Board.

10. PARTICULARS OF EMPLOYEES:

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

11. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

a) that in the preparation of Annual Accounts for the year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2013-14 and of the loss made by the Company for that period;

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

d) that the Annual Accounts of the Company have been prepared on a going concern basis.

It was informed that Financial Technologies (India) Limited, the holding Company, is intending to exit by divesting its stake in the Company.

12. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by various Authorities, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Place: Mumbai	**Devendra Agrawal**	**Hariraj Chouhan**
Date: 06.08.2014	Director	Director

AUDITOR'S REPORT

To the Members of **Boursa India Limited**

We have audited the accompanying financial statements of **Boursa India Limited,** which comprise the Balance sheet as at March 31, 2014, and the statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement,whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the profit and loss account, of the loss for the year ended on that date and

(c) In the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

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

As required by section 227(3) of the act, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For Chaturvedi Sohan & Co.,
Chartered Accountants
118424 W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 26-05-2014

ANNEXURE TO THE AUDITOR'S REPORT

Boursa India Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

i) The Company does not have any fixed assets during the year, hence Paragraph 4 (i) (a), (b) & (c)of the order are not applicable to the Company.

ii) The company is not having inventories accordingly clause (ii) of the order is not applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has not taken unsecured loan from parties covered in the register maintained u/s 301 of the company Act 1956 consequently, the requirement of clause (iii) (f) to clause (iii) (g) of paragraph 4 of the order are not applicable.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lac in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) The Company does not have Paid up capital of Rs. 50 Lac or average turnover exceeding RS. 5 crore for a period of 3 consecutive financial year immediately preceding the relevant financial year hence paragraph 4(vii) of the order is not applicable to the Company.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company's accumulated losses at the end of the financial year are more than 50% of net worth of Company. The Company has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

xiv) In our opinion and according to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other Investment, hence Clause (xiv) of the Order are not applicable to the company.

ANNEXURE TO THE AUDITOR'S REPORT

Boursa India Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken term loan during the year, accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN : 118424 W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 26-05-2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

PARTICULARS	Note No.	As at 31st March, 2014	As at 31st March 2013
Equities and liabilities			
1 Shareholders' funds			
(a) Share capital	2	500,000	500,000
(b) Reserve and surplus	3	(171,282)	(152,092)
		328,718	**347,908**
2 Current Liabilities			
(a) Trade payables	4	-	20,224
(b) Other current liabilities	5	-	2,248
		-	**22,472**
		328,718	**370,380**
Assets			
1 Current assets			
Cash and bank balances	6	328,718	370,380
		328,718	**370,380**
		328,718	**370,380**
Summary of significant accounting policies	1		

The notes 8-13 referred to above form an integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 26-05-2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 26-05-2014

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

PARTICULARS	Note no.	For the year ened on 31st March, 2014	For the year ended on 31st March, 2013
CONTINUING OPERATION			
(I) Revenue		-	-
Total revenue (I)		-	-
(II) EXPENSES			
Other expenses	7	19,190	24,670
Total expenses (II)		**19,190**	**24,670**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		(19,190)	(24,670)
(IV) Loss before tax		**(19,190)**	**(24,670)**
Tax expense			
- Current tax		-	-
(V) Total tax expensed from continuing operation		-	-
(VI) Loss for the period/year		**(19,190)**	**(24,670)**
(VII) Earnings per share	8		
Basic		(0.38)	(0.49)
Diluted		(0.38)	(0.49)
Face value per share		10.00	10.00
Summary of significant accounting policies	1		

The notes 8-13 referred to above form an integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 26-05-2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 26-05-2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

PARTICULARS	For the year ened on 31st March, 2014		For the year ended on 31st March, 2013	
A. Cash flow from operating activities				
Net Loss before tax		(19,190)		(24,670)
		-		-
Adjustments				
Operating loss before working capital changes		(19,190)		(24,670)
Changes in working capital				
Adjustment for (increase) / decrease in operating assets				
Trade and other receivables	-		-	
Adjustment for increase / (decrease) in operating liabilities				
Other current liabilities	(2,248)		42	
Trade payables	(20,224)		370	
		(22,472)		412
Cash used in operations		(41,662)		(24,258)
Less: Taxes paid		-		-
Net cash flow used in operating activities		**(41,662)**		**(24,258)**
B. Cash flow from investing activities		-		-
Net cash flows from investing activities		-		-
C. Cash flow from financing activities		-		-
Net cash flows from financing activities		-		-
Net cash flow during the period		**(41,662)**		**(24,258)**
Net decrease in cash and cash equivalents		**(41,662)**		**(24,258)**
Cash and cash equivalents (opening balance)		**370,380**		**394,637**
Cash and cash equivalents (closing balance)		**328,718**		**370,380**

CASH FLOW STATEMENT for the year ended 31st March, 2014

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance with cash and cash equivalent is as follows:

(in ₹)

	For the year ened on 31st March, 2014	For the year ended on 31st March, 2013
Cash Balance	-	-
Bank balances :		
In current account	328,718	370,380
Cash and bank balance	**328,718**	**370,380**

2. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
3. Previous year figures have been regrouped, rearranged, reclassified wherever necessary to correspond with the figures of current period as required under revised schedule VI

As per our attached report of even date

Chaturvedi Sohan & Co,
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 26-05-2014

For and on behalf of the Board.

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 26-05-2014

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities are classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

1.5 Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

Contingent Liabilities are disclosed by way of notes to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

(in ₹)

2 SHARE CAPITAL	As at 31st March, 2014		As at 31st March 2013	
	Nos.	₹	Nos.	₹
Authorised:				
50,000 (Previous year 50,000 Equity shares of ₹ 10/- each) Equity shares of ₹ 10/- each	50,000	500,000	50,000	500,000
	50,000	**500,000**	**50,000**	**500,000**
Issued, subscribed & paid up:				
50,000 (Previous year 50,000 Equity shares of ₹ 10/- each) Equity shares of ₹ 10/- each fully Paid up	50,000	500,000	50,000	500,000
	50,000	**500,000**	**50,000**	**500,000**

NOTES to financial statements for the year ended 31st March, 2014

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

	As at 31st March, 2014		As at 31st March 2013	
	Nos.	**₹**	**Nos.**	**₹**
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	**50,000**	**500,000**	**50,000**	**500,000**

The company has only one class of equity shares having par value of ₹10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.

b) Shares held by holding company				
Financial Technologies (India) Ltd.	**50,000**	**500,000**	**50,000**	**500,000**
c) Details of the shareholders holding more than 5% of the shares in the company				
	No.	**% of holding**	**No.**	**% of holding**
Financial Technologies (India) Ltd.*	**50,000**	**100**	**50,000**	**100**

*Includes Six Equity shares of the company which is held by other six member of the company. Financial Technologies (India) Ltd. has all the beneficial interest related to these six equity shares.

	As at 31st March, 2014	As at 31st March 2013
3 Reserves and surplus		
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	(152,092)	(127,423)
Add: Profit / (Loss) for the year	(19,190)	(24,670)
Net deficit in the statement of profit and loss	**(171,282)**	**(152,092)**
4 Trade payables		
Trade payables	-	20,224
(refer note 11 for amount due to small, micro and medium enterprises)		
	-	**20,224**
5 Statutory payables		
Statutory payables		
TDS payables	-	**2,248**
	-	**2,248**
6 Cash and bank balances		
Cash and cash equivalents		
Bank balances:		
With scheduled banks		
In current account	328,718	370,380
	328,718	**370,380**

NOTES to financial statements for the year ended 31st March, 2014

PARTICULARS	for the year ended on 31st March, 2014	for the year ended on 31st March, 2013
7 OTHER EXPENSES		
Professional fees	-	11,648
Legal Expenses	500	-
ROC fees expenses	1,836	1,224
Bank charges	-	562
Payment to auditor (refer details below)	16,854	11,236
	19,190	**24,670**
Details of payment to auditor		
As auditor		
Audit fee	16,854	11,236
	16,854	**11,236**
8 EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net profit / (loss) after tax for calculation of basic EPS	(19,190)	(24,670)
Weighted average number of equity shares basic and diluted (nos.)	50,000	50,000
Basic and diluted earnings per share for the period	(0.38)	(0.49)
Nominal value of equity share	10	10
9 CONTINGENT LIABILITIES AND COMMITMENTS(TO THE EXTENT NOT PROVIDED FOR)		
a) Estimated amount of contract to be executed in capital account		
and not provided for (net of advances)	NIL	NIL
b) Contingent liabilities not provided for	NIL	NIL
	NIL	**NIL**

NOTES to financial statements for the year ended 31st March, 2014

10 RELATED PARTY DISCLOSERS

(A) Names of related parties and related party relationship :

(i) Company whose control exists (holding company) : Financial Technologies (India) Limited (since incorporation)

(ii) Fellow subsidiaries:(having common Directors with whom no transactions are carried out) : Financial Technologies Communications Limited
Global Payment Networs Limited
Apian Finance and Investment Limited
Trans Global Credit And Finance Limited
Credit Market Services Limited
Riskraft Consulting Limited

(iii) Other related party (having common Directors with whom no transactions are carried out) : Grameen Pragati Foundation (a Section 25 Company)

(iv) Key managerial person : Dewang Neralla (Director)

(v) There is no related parties transactions are carried out during the period ended on 31st March 2014 and during the year ended 31st March, 2013 hence the details has not been provided.

11 DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

	31st March 2014	31st March 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	NIL	NIL
Interest due on above	-	-
	NIL	**NIL**

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.

12 SEGMENT INFORMATION

The company's main objective is to engage in the business of providing online trading platform. The company has considered business segment as primary segment. Thus there is only one identified reportable segment.

13 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date: 26-05-2014

For and on behalf of the Board.

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date: 26-05-2014

DIRECTORS' REPORT

To

The Members,

The Directors are pleased to present the Sixth Annual Report of your Company together with the Audited Statements of Accounts for the year ended 31st March 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. REVIEW OF OPERATIONS:

(in INR)

PARTICULARS	FY 2013-14	FY 2012-13
Total Income	40,194	9,37,071
Total expenditure	17,86,166	22,52,426
Profit/ Loss before tax	(17,45,972)	(13,15,355)
Total tax expensed from continuing operations	1,69,185	-
Profit / Loss After tax	(19,15,157)	(13,15,355)
Balance carried to Balance Sheet	(1,46,13,630)	(1,26,98,474)

2. DIVIDEND:

Since the Company has incurred loss during the year under review, your Directors do not recommend any dividend.

3. TRANSFER TO RESERVES

In view of losses during the year, no appropriation is made for Statutory Reserves during the year under review.

4. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. LOANS:

The unsecured loan of your Company stood at ₹ 1,32,00,000 /- as at March 31, 2014.

6. FIXED DEPOSITS:

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

7. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Hariraj Chouhan, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Hariraj Chouhan in the ensuing Annual General Meeting.

Mr. Dewang Neralla was appointed as an Additional Director of your Company with effect from 13th November 2013. In accordance with Section 161 of the Companies Act, 2013, Mr. Dewang Neralla will hold office up to the forthcoming Annual General Meeting and his appointment is subject to the approval of members in the general meeting.

Your Directors recommend the appointment of Mr. Dewang Neralla on the Board of the Company.

During the year, Mr. Shreekant Javalgekar and Mr. Nilanjan Ghosh ceased to be the Directors of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. Shreekant Javalgekar and Mr. Nilanjan Ghosh during their association with the Company.

The other Directors continue to be on the Board of your Company.

DIRECTORS' REPORT

8. AUDITORS:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 of the Companies Act,2013 read with the Companies (Audit and Auditors) Rules 2014.

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

9. AUDITORS REPORT:

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

10. CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Your Company has always been conscious about the need for conservation of energy. Energy saving is one of the factor for the economic growth of the country and it remained an area of high priority for your Company. Your Company endeavors to carry out in-House R & D activities. The Company is making efforts to develop its export promotion.

During the period under review there was no Foreign Exchange earnings and outgo.

11. PARTICULARS OF EMPLOYEES:

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

12. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2013-14 and of the loss of the Company for that period;

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

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

It was informed that Financial Technologies (India) Limited, the holding Company, is intending to exit by divesting its stake in the Company.

13. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers. Your Directors also acknowledge the support extended by all the employees for their dedicated work.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 07.08.2014

Dewang Neralla Director

Hariraj Chouhan Director

AUDITOR'S REPORT

To the Members of **Takshashila Academia of Economic Research Limited**

We have audited the accompanying financial statements of Takshashila Academia of Economic Research Limited , which comprise the Balance sheet as at March 31,2014, and the statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. . Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the statement of profit and loss, of the loss for the year ended on that date and

(c) In the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

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

As required by section 227(3) of the act, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For Chaturvedi Sohai
Chartered Account
FRN: 118424 W

Chaturvedi VN
Partner
Membership No. 106403

Place: Mumbai
Date: 26.05.2014

ANNEXURE TO THE AUDITOR'S REPORT

Takshashila Academia of Economic Research Limited (Referred to m paragraph "Report on other legal and Regulatory Requirements")

i) In respect of its fixed assets:

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

(b) As explained to us, all the fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable, having regards to the size of the company and nature of its assets. As Informed to us no material discrepancies were noticed on such physical verification.

(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

ii) The company is not having inventories accordingly clause (ii) of the order is not applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has taken unsecured loan from one party covered in the register maintained u/s 301 of the companies Act 1956. The Maximum amount outstanding at any time during the year was Rs. 1.32 Crore (excluding interest) and year end balance is 1.32 Crore (excluding interest).

(f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the Loan taken are not prima facie prejudicial to the interest of the company.

(g) In our opinion and according to the information and explanation given to us, the payment of principal and interest is regular as per terms and conditions.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lac in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) The Company does not have Paid up capital of Rs. 50 lacs or average turnover exceeding Rs. 5 crores for a period of 3 consecutive financial years immediately preceding the relevant financial year hence paragraph 4(vii) of the order is not applicable to the Company.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company's accumulated losses at the end of the financial year are more than 50% of net worth of Company. The Company has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares , securities, debentures or other investments, hence clause (xiv) of the Order is not applicable to the Company

ANNEXURE TO THE AUDITOR'S REPORT

Takshashila Academia of Economic Research Limited (Referred to m paragraph "Report on other legal and Regulatory Requirements")

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken term loan during the year, accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 26.05.2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

Particulars	Note No.	As at 31st March, 2014	As at 31st March 2013
Equities & liabilities			
1 Shareholders' funds:			
(a) Share capital	2	500,000	500,000
(b) Reserve and surplus	3	(14,613,630)	(12,698,474)
		(14,113.630)	**(12,198,474)**
2 Current liabilities			
(a) Short term borrowings	4	13,200,000	13,200,000
(b) Trade payables	5	182,487	668,216
(c) Other current liabilities	6	857,636	107,525
		14.240,123	**13,975,741**
		126,493	**1,777,267**
Assets			
1 Non current assets			
(a) Fixed assets:	7		
(i) Tangible assets		-	24.535
(ii) Intangible assets		-	33,028
(b) Long term loans and advances	8	-	2,000
		-	**59,563**
2 Current assets			
(a) Trade receivable	9	-	707,868
(b) Cash and bank balances	10	38,787	163,707
(c) Short term loans and advances	11	87,706	846,129
		126,493	**1,717,704**
Summary of significant accounting policies	1	**126.493**	**1,777,267**

The accompanying notes 18-25 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN no.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 26.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 26.05.2014

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

Particulars	Note no.	31st March 2014	31st March 2013
(I) Revenue			
Revenue from operations	12	-	700,000
Other income	13	40,194	237,071
TOTAL REVENUE (I)		**40,194**	**937,071**
(II) Expenditure			
Employee benefit expenses	14	4,370	4,186
Other expenses	15	577,618	1,030,937
Total expenditure (II)		**581,988**	**1,035,122**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		(541,794)	(98,052)
Depreciation and amortization	16	16,631	35,637
Finance costs	17	1,187,547	1,181,666
(IV) (Loss)/ Profit before tax		**(1,745,972)**	**(1,315,355)**
Tax expense			
- Current tax		-	-
- (Excess)/short provision of tax for earlier years		169,185	-
(V) Total tax expensed from continuing operation		**169,185**	**-**
(VI) (Loss) for the year		**(1,915,157)**	**(1,315,355)**
(VII) Earnings per share	19		
Basic		(38.30)	(26.31)
Diluted		(38.30)	(26.31)
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes 18-25 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN no.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 26.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 26.05.2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

Particulars	For the year ended on 31st March, 2014		For the year ended on 31st March, 2013	
Continuing operation				
A. Cash flow from ooeratlna activities				
Net (Loss)/ profit before tax		**(71,451,542)**		**(1,315.355)**
Adjustments for:				
Depreciation/ amortisation	16,631		35,637	
Loss on sale of Fixed assets	11,085		57,161	
Interest expenses	1,187,547		1,181.666	
		1,215,263		**1,274,464**
Operating (loss) / profit before working capital changes		(530,709)		(40,891)
Changes In working capital:				
Adjustments for (Increase) / decrease in operating assets:				
Trade receivable	707,868		(707,868)	
Long-term loans and advances	2.000		56,735	
Short-term loans and advances	93,321		342,016	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(485,729)		168,819	
Current liabilities	750,111		56.220	
		1,067,571		(84,078)
Cash (used In) / from operations		**536.861**		**(124.969)**
Less: Taxes paid (Net of refund)		495.918		2,509,368
Net cash from operating activities		**1,032,779**		**2,384,399**
B. Cash flow from investina activities				
Sale of fixed assets		29,848		63,050
Net cash from investing activities		**29,848**		**63.050**
C. Cash flow from financina activities				
Proceeds from borrowings		-		800,000
Repayment of borrowings		-		(2,500,000)
Interest expense		(1,187.547)		(1,181,666)
Net cash used in financing activities		**(1,187.547)**		**(2.881,666)**
Net cash flow during the year		**(124,921)**		**(434.217)**
Net decrease In cash and cash equivalents		**(124,921)**		**(434.217)**
Cash and cash equivalents (opening balance)		**163,707**		**597,924**
Cash and cash equivalents (closing balance)		**38,787**		**163.707**

CASH FLOW STATEMENT for the year ended 31st March, 2014

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (Refer note 10) with cash and cash equivalents is as follows:

(in ₹)

Particulars	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
Bank balances		
- In current account	38,787	163,707
Cash'and bank balances	**38,787**	**163,707**

2. Purchase of fixed Assets are considered as part of investing activities
3. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) " Cash Flow Statement" issued by The institute of Chartered Accountants of India.
4. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN no.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 26.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 26.05.2014

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956, The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities are classified as current or noncurrent as per the company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act, 1956

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Depreciation on tangible assets has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation in respect of assets costing less than ₹ 5,000 each is fully depreciated in the year of capitalisation

Depreciation on assets sold, discarded or demolished, if any during the period is being provided at their rate up to date in which such assets are sold discarded or demolished.

Intangible assets are amortised over their estimated useful life as follows:

Computer Software - 6 years

1.5 Revenue recognition

Revenue is recognized when no significant uncertainty as to measurement and realization exists.

i) Revenue from market research consultancy service is recognized as per the terms of contract and when services are rendered.

ii) Revenue from advertisement income from publication is recognized as per the terms of contract and when the services are provided.

iii) Income from subscription is recognized on straight line basis over a time of subscription period.

Income from services is stated net of service tax wherever applicable

1.6 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

1.7 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.8 Intangible assets

intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any.

1.9 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing

on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences.

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

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

NOTES to financial statements for the year ended 31st March, 2014

1.10 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its Intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.11 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) “Accounting for Taxes on Income”, Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative tax (MAT) paid in a year is charged to statement of Profit & Loss Account as current tax Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is

1.12 Impairment of assets

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

1.13 Provisions and contingencies

The Company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

(in ₹)

2 SHARE CAPITAL	31st March 2014		31st March 2013	
	Nos.	₹	Nos.	₹
Authorised:				
Equity shares of ₹10/-each	4.937,500	49,375,000	4,937,500	49.375,000
Preference of ₹10/- each	62,500	625,000	62,500	625,000
	5,000,000	**50,000,000**	**5,000,000**	**50,000,000**
Issued, subscribed & paid up:				
Equity shares of ₹10/- each fully paid-up	50,000	500,000	50,000	500,000
	50,000	**500,000**	**50,000**	**500,000**
a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.				
At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**50,000**	**500,000**	**50,000**	**500,000**

NOTES to financial statements for the year ended 31st March, 2014

The company has only one class of equity shares having par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

		As at 31st March. 2014		As at 31st March 2013	
		Nos.	₹	Nos.	₹
b)	Shares held by holding company				
	Financial Technologies (India) Ltd.	**50,000**	**500,000**	**50,000**	**500,000**
		Nos.	**% holding**	**Nos.**	**% holding**
c)	Details of the shareholders holding more than 5% of the shares in the company				
	Financial Technologies (India) Ltd. *	**50,000**	**100,00**	**50,000**	**100,00**

*Includes Six Equity shares of the company which is held by other six member of the company. Financial Technologies (India) Ltd. has all the beneficial interest related to these six equity shares.

3	RESERVES AND SURPLUS	As at 31st March, 2014	As at 3 1st March 2013
	Surplus /(deficit) in the statement of profit and loss		
	Balance as per last financial statements	(12,698,473)	(11,383,119)
	Add: Profit/(Loss) for the year	(1,915,157)	(1,315,355)
	Net deficit in the statement of profit and loss	**(14,613,630)**	**(12,698,474)**
4	**SHORT-TERM BORROWINGS**		
	Unsecured loan		
	-from holding company -repayable on demand	13,200,000	13,200,000
	(refer note 18)		
		13,200,000	**13,200,000**
5	**TRADE PAYABLES**		
	Trade payables	182,487	668,216
	(refer note 22 for details of dues to micro and small enterprises)		
		182,487	**668,216**
6	**OTHER CURRENT LIABILITIES**		
	Statutory payables		
	TDS payable	35,791	107,515
	Other (PF)	10	10
	Interest accrued and due	821,835	-
		857,636	**107,525**

NOTES to financial statements for the year ended 31st March, 2014

7 FIXED ASSETS

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Cost as at 01.04.13	Additions during the year	Deletion/ Adjustments	Cost as at 31.03.14	Upto 01.04.13	For the year	Deletions/ Adjustments	Upto 31.03.14	As at 31.03,14	As at 31.03.13
Tangible assets										
Office equipments	13,500	-	13,500	-	1,986	429	2,415	-	-	11,514
Computer hardware	19,471	-	19,471	-	6,451	3,122	9,573	-	-	13,020
	32,971	**-**	**32,971**	**-**	**8,437**	**3,551**	**11,988**	**-**	**-**	**24,534**
Intangible assets										
(Other than internally generated)										
Computer software	80,689	-	80,689	-	47,660	13,080	60,740	-	-	33,029
	80,689	**-**	**80,689**	**-**	**47,660**	**13.080**	**60,740**	**-**	**-**	**33,029**
	113,660	**-**	**113,660**	**-**	**56,097**	**16,631**	**72,728**	**-**	**-**	**57,563**
Previous year	**278,730**	**-**	**165,070**	**113,660**	**65,319**	**35,636**	**44,858**	**56,098**	**57,563**	**-**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		As at 31st March, 2014	As at 31st March 2013
8	**LONG-TERM LOANS AND ADVANCES**		
	Other Loan and advances		
	Prepaid Expenses	-	2,000
		-	**2,000**
9	**TRADE RECEIVABLES**		
	Other trade receivables		
	- Unsecured, considered good	-	707,868
	- doubtful	-	-
		-	**707,868**
10	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Cash on hand	-	-
	Bank balances:		
	With scheduled banks:		
	- in current accounts	38,787	163,707
		38,787	**163,707**
11	**SHORT-TERM LOANS AND ADVANCES**		
	Other loan and advances		
	Prepaid expenses	-	4,592
	Balances with statutory/Government Authorities - Deposits	-	88,729
	Tax deducted at source (net of provision)	87,706	752,809
		87,706	**846,130**
12	**REVENUE FROM OPERATIONS**		
	Sale of services	-	700,000
		-	**700,000**
	Details of services rendered		
	Income from consultancy services	-	700,000
		-	**700,000**
13	**OTHER INCOME**		
	Subscription fees	-	3,400
	Interest on income tax refund	36,428	194,100
	Miscellaneous income	3,766	39,571
		40,194	**237,071**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

14	EMPLOYEE BENEFIT EXPENSES	As at 31st March, 2014	As at 31st March 2013
	Salaries and bonus (net of recovery)	4,024	2,021
	Contribution to provident fund and other funds	274	2,093
	Staff welfare expenses	72	72
		4,370	**4,186**
15	**OTHER EXPENSES**		
	Payment to auditor(refer details below)	28,090	138,500
	Legal and professional expenses	58,000	553,500
	Travelling and conveyance	3,000	-
	Loss on sale of Fixed assets	11,085	57,161
	ROC fees expenses	4,090	3,061
	Insurance	3,092	34,461
	Managed support services	240,000	240,000
	Miscellaneous expenses	230,261	4,253
		577,618	**1,030,936**
	Details of payment to auditor		
	As auditor:		
	Audit fee	28,090	75,000
	In other capacity		
	Taxation matters	-	63,500
	(includes tax audit and other taxation matters)		
		28,090	**138,500**
16	**DEPRECIATION AND AMORTIZATION EXPENSE**		
	Depreciation on tangible assets	3,551	22,557
	Amortization of intangible assets	13,080	13,080
		16,631	**35,637**
17	**FINANCE COST**		
	Interest expense on :		
	- borrowings (to holding company on unsecured loan)	1,187,547	1,181,666
		1,187,547	**1,181,666**

NOTES to financial statements for the year ended 31st March, 2014

18 RELATED PARTY DISCLOSURES

(A) Names of related parties and related party relationship

(i) Company whose control exists (holding company)	:	Financial Technologies (India) Limited (since incorporation)
(II) Fellow subsidiaries (with whom transactions are carried out)	:	National Spot Exchange Limited FT Knowledge Management Company Limited National Bulk Handling Corporation Limited
(il) Associates of the holding company (where control exists)	:	Multi Commodity Exchange of India Limited (till 25.12.2013)
(III) Key management personnel (KMP)	:	Madhookar Pavaskar

(B) Related parties transactions:

(in ₹)

Nature of transactions	Holding companies		Fellow subsidiaries		Associate company of holding co. (where control exists) (refer footnote 2)			
	31st March. 2014	31st March 2013	31st March, 2014	31st March 2013	For the period / for the period end (in respect of MCX for the period 9 months upto 31 December, 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	Associates Company of holding Company (other than MCX) 31st March, 2014	31st March 2013
Sale/purchase of goods, services and during the period/year								
Sale of assets	9,898	27,346	-	12,996			-	5,603
Management consultancy income								
Service received	240,000	-	-	700,000				
Outstanding balance	182,022	559,560	-	707,868				
Legal&Profession fees	-	553,500						
Reimbursement of expenses								
- Charged by them	-	269,410			3,766	465		
Loan taken and repayment thereof								
Opening balances as at the beginning of the year	13,200,000	14,900,000						
Taken during the period	-	800,000						
Repaid during the year	-	2,500,000						
Closing balance as at the end of the year	13,200,000	13,200,000						
Interest on above loan outstanding								
Charged during the year	1,187,547	1,181,666						
Outstanding as on date	821,835				3,766	465		

Note: 1) Related parties relationship is as identified by the company and relied by the auditor.

2) With effect from 26 December, 2013, as the holding company does not have any significant influence over MCX, however, transaction with MCX from 1st January, 2014 to 31st March, 2014 and balances outstanding as at 31st March, 2014 have been disclosed as additional information.

NOTES to financial statements for the year ended 31st March, 2014

(C) Major Transaction with Fellow Subsidiaries,

(in ₹)

Particulars	For the period / for the period end (in respect of MCX for the period 9 months upto 31 December, 2013)	In respect of MCX for the period of 3 months ended / as at 31 March, 2014	31st March 2013
Sale of fixed assets			
National Spot Exchange Ltd	-	-	12,996
Multi Commodity Exchange of India Limited	-	-	5,603
Other reimbursement of exoenses			
- Charged by them			
FT Knowledge Management Co. Ltd	-	-	700,000
Multi Commodity Exchange of India Limited	3,766	465	-
Closing balance			
- Debit			
FT Knowledge Management Co. Ltd	-	-	707,863
Multi Commodity Exchange of India Limited	3,766	465	-

		For the period ended on 31st March, 2014	For the year ended on 31st March 2013
19	**EARNINGS PER SHARE (EPS)**		
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Total operations for the period/year		
	Net profit / (loss) after tax for calculation of basic EPS	(1,915,157)	(1,315,355)
	Weighted average number ol equity shares basic (nos.)	50,000	50,000
	Weighted average number of equity shares diluted (nos.)	50,000	50,000
	Basic earnings per share for the period	(38,30)	(26,31)
	Diluted earnings per share	(38,30)	(26,31)
	Nominal value of equity share	10/-	10/-

20 There were no qualified employees end of the year, hence no funding were made during the year and also no actuarial valuation is carried out as per Accounting standard - 15 " Accounting for retirement benefits In the financial statements ot employees".

21	**CONTINGENT LIABILITIES AND COMMITMENTS**		
	(to the extent not provided for)		
	a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
	b) Contingent liabilities not provided for	NIL	NIL
		NIL	**NIL**

NOTES to financial statements for the year ended 31st March, 2014

		For the period ended on 31st March, 2014	For the year ended on 31st March 2013
22	**DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS defined under the MSMED Act, 2006**		
	The principal amount and the interest duo thereon		
	remaining unpaid to any supplier as at the end of		
	each accounting year	NIL	NIL
	Principal amount due to micro and small enterprises		
	Interest due on above		
		NIL	**NIL**

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

23 The Company's objective is to engage in the business of research on commodities and publications of commodity reports and manuals etc The Company has considered business segment as Primary segment. Thus, there is only one Identified reportable segment.

24 During the year the company has Incurred losses. The Company has also accumulated losses as at 31st March 2014 and also net worth is negative. The company has plans to achieve higher growth in the business, which would result into achieve higher revenue and improve the profitability and net worth. Accordingly, the accounts have been prepared on going concern basis which is dependent upon future growth of business and profitability

25 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co
Chartered Accountants
FRN no.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 26.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 26.05.2014

DIRECTORS' REPORT

To,

The Members,

Your Directors are pleased to present the Twenty First Annual Report on the business and operations of your Company together with the Audited Accounts for the financial year ended 31st March, 2014 and the Auditors Report thereon.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. FINANCIAL RESULTS

(In ₹)

Particulars	FY 2013-14	FY 2012-13
Total Income	3,34,82,585	4,24,57,217
Total Expenditure	1,91,72,513	3,05,28,510
Provision for Taxation	32,00,000	36,85,033
Net Profit	1,11,10,072	82,43,674

During the year under review, the total revenue of your Company was ₹3,34,82,585/- as compared to ₹4,24,57,217/- during the previous year. The Company has earned a Net Profit of ₹1,11,10,072/- as compared to ₹82,43,674/- during the previous year. Your Company's Net Owned Funds as on 31st March, 2014 was at ₹8.27 Crores.

2. DIVIDEND

In order to conserve resources, your Directors do not recommend any dividend for the year under review.

3 TRANSFER TO RESERVES:

During the year under review an amount of ₹11,11,007/- has been transferred to the Statutory Reserves.

4 FIXED DEPOSITS:

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

5 SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

6 DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Devendra Agrawal – Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Devendra Agrawal in the ensuing Annual General Meeting.

During the year, Mr. Subramanya kusnur was appointed as an Additional Director of your Company. In accordance with Section 161 of the Companies Act, 2013, Mr. Subramanya Kusnur will hold office up to the forthcoming Annual General Meeting and his appointment is subject to the approval of members in the general meeting.

Your Directors recommend the appointment of Mr. Subramanya Kusnur on the Board of the Company.

Futher during the year, Mr. Shreekant Javalgekar, Mr. P. G. Kakodkar and Mr. Anil Choudhary ceased to be the Directors of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by them during their association with the Company.

The other Directors continue to be on the Board of your Company.

7 AUDITORS

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 read with the Companies (Audit and Auditors) Rules 2014 of the Companies Act, 2013.

DIRECTORS' REPORT

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

8 AUDITORS' REPORT

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

9 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

a) in preparation of annual accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2013-14 and profit made by the Company for that period;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Annual Accounts of the Company have been prepared on a going concern basis.

10 PARTICULARS OF EMPLOYEES:

None of the employees of your Company are in receipt of remuneration exceeding the limit laid down in Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, hence no such particulars are annexed to this report.

11 CONSERVATION OF ENERGY:

Your Company is committed for adoption of various energy saving methods for Conservation of energy. Your Company is in the business of investment and financing, hence energy consumptions are restricted to the usage of electronic equipment required to carry out day to day operations of the Company. However, it is the endeavor of the Company to reduce the electricity and water consumption to the minimum level possible.

12 TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

Your Company operates in the Investment and financing segment of service industry. Utilisation of technology is restricted to the usage of Computer and related equipment. However, your Company endeavors to adopt modern technology to carry on its operations.

13 FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, there was no foreign exchange outflow from your Company and it had no foreign exchange earnings. The Company being an NBFC, there were no export during the year under review and no export is foreseen.

14 COMPLIANCE CERTIFICATE:

In accordance with the provisions of Section 383A of the Companies Act, 1956, and Companies (Compliance Certificate) Rules 2001, your Company has obtained necessary certificate from a Practicing Company Secretary to that effect. A copy of the same is attached to this report.

15 ACKNOWLEDGEMENT

Your Directors wish to thank and acknowledge the co-operation and assistance extended by the Reserve Bank of India, Government Agencies, Banks and Customers. The Directors also wish to convey their deep appreciation of the contribution made by all employees in the growth of the Company.

For and on behalf of the Board of Directors

Place: Mumbai	**Devendra Agrawal**	**Hariraj Chouhan**
Date: 05.08.2014	Director	Director

CS Abdul Karim Kazi
Practicing Company Secretary
Room No.2, House No.2,
Near Little Flower High School,
Kamgar Road, Andheri (E)
Mumbai- 400 069.
e-mail: proagile@pcsllp.com
cell : 98211 67216

CIN : U65990MH1993PLC071004

Paid up Capital : Rs.4,31,43,950

COMPLIANCE CERTIFICATE

To
The Board of Directors,
Apian Finance and Investment Limited
1st Floor, Malkani Chambers,
Off. Nehru Road, Vile Parle (E),
Mumbai- 400099.

I have examined all the relevant books, registers, forms, documents and papers of **Apian Finance and Investment Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and Companies Act, 2013 (the new Act), to the extent applicable and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company, for the purpose of issuing a Secretarial Compliance Certificate under Section 383A of the Act, read with the Companies (Compliance Certificate) Rules, 2001 (The Rules), for the financial year from 1st April, 2013 to 31st March, 2014.

Based on such examination as well as information and explanations furnished to me, which to the best of my knowledge and belief were necessary for the purposes of my certification, I hereby certify that in respect of the aforesaid year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has duly filed the forms and returns, except as otherwise stated in **Annexure 'B'** to this certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made thereunder. However, no forms or returns were filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met 10 (Ten) times respectively on 15th April 2013, 10th May 2013, 28th May 2013, 27th June 2013, 11th July 2013, 27th August 2013, 2nd September 2013, 6th September 2013, 15th October 2013 and 9th January 2014, in respect of which meetings notices were given and the proceedings were properly recorded and signed. The Company has not passed any board resolution by circulation.
5. The Company has not closed its Register of Members during the year.
6. The Annual General meeting for the financial year ended on 31st March 2013 was held on 23rd September 2013 after giving notice to the members of the Company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the year.
8. The Company has not advanced any loans to its directors and / or persons of firms or companies referred to in Section 295 of the Act and Section 185 of the new Act, during the financial year.
9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries that need to be made in the register maintained under section 301 of the Act.
11. The Company did not seek any approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act, during the year.
12. The board of directors has approved the issue of duplicate share certificates during the year.

13. The Company has / was :
    (i) not made allotment of securities, however has delivered all share certificate on lodgement thereof for transfer / transmission in accordance with the provisions of the Act during the year;
    (ii) not deposited any amount in a separate bank account as no dividend was declared during the year;
    (iii) not required to post warrants to any members of the Company as no Dividend was declared during the year;
    (iv) no amounts lying in the credit of any account, which is required to be transferred to Investor Education and Protection Fund;
    (v) duly complied with the requirements pertaining to Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted.
15. The Company was not required to appoint any Managing Director / Wholetime Director / Manager during the year.
16. The Company has not appointed any sole-selling agents during the year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any equity shares, debentures or other securities during the year.
20. The Company has not bought back any shares during the year.
21. There was no redemption of preference shares or debentures during the year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act, during the year.
24. The amounts borrowed by the Company during the year are within the borrowing limits of the Company and the necessary resolutions as per Section 293(1)(d) of the Act have been passed in a duly convened Extra ordinary general meeting.
25. The Company has not given guarantees or provided securities to other bodies corporate however have made loans and investments during the year. Section 372A of the Act is not applicable to the Company.
26. The Company has not altered the provisions of the memorandum with respect to the situation of the Company's registered office during the year.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year.
28. The Company has not altered the provisions of the memorandum with respect to the name of the Company during the year.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year.
30. The Company has not altered its Articles of Association during the year.
31. There was no prosecution initiated against or show cause notices received by the Company, during the year, for offences under the Act, as informed to us.
32. As explained to us, the Company did not have any employees during the year under review, thus the question of receiving any money as security from its employees in pursuance of Section 417 of the Act does not arise.
33. As explained to us, the Company did not have any employees during the year under review, thus Section 418 of the Act, does not apply to the company.

Place : Mumbai
Date : 28th May 2014

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

Annexure – A

Registers as maintained by the Company

1. Register of Members u/s 150 of the Act;
2. Register of Directors u/s 303 of the Act;
3. Register of Directors' shareholding u/s 307 of the Act;
4. Register of Contracts, Companies and Firms in which Directors of the Company are interested u/s 299 and 301 of the Act;
5. Minutes of the General Meetings and Board Meetings u/s 193 of the Act;
6. Register of duplicate share certificate
7. Attendance Registers of Board and General Body meetings.

Annexure – B

Forms and Returns as filed by the Company, during the year ended on 31st March, 2014.

Sr. No	eform No.	Under Sec.	Date of filing with ROC	SRN No	Particulars
1	20B	159	21.11.2013	Q24313348	Annual Return for the AGM held on 23rd September 2013
2	66	383(A)	21.10.2013	Q15222953	Compliance Certificate for the year ended 31st March 2013
3	23AC & ACA XBRL	220	22.10.2013	Q15420680	Annual Accounts in XBRL format for the year ended 31st March 2013
4	32	303(2)	20.11.2013	B89548663	Cessation of Mr. P G Kakodkar as Director of the Company wef 17.08.2013, with additional fees.
5	32	303(2)	20.09.2013	B84952100	Cessation of Mr. Shreekant Javalgekar as Director of the Company wef 03.09.2013
6	32	303(2)	25.10.2013	B87735445	Appointment of Mr. Devendra Agrawal as Director of the Company in the AGM held on 23.09.2013
7	32	303(2)	03.02.2014	B95231650	Appointment of Mr. Subramanya Kusnur as Additional Director and cessation of Mr. Anil Kumar Choudhary as Director wef 09.01.2014

Place : Mumbai
Date : 28th May 2014

CS Abdul Karim Kazi
Practicing Company Secretary
CP No.: 9538

AUDITOR'S REPORT

To the Members of **Apian Finance and Investment Limited**

We have audited the accompanying financial statements of Apian Finance And Investment Limited, which comprise the Balance sheet as at March 31, 2014, and the statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the statement of profit and loss, of the profit for the year ended on that date and

(c) In the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

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

As required by section 227(3) of the act, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

AUDITOR'S REPORT

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

Place: Mumbai
Dale : 28.05.2014

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN - 118424W

Chaturvcdi V N
Partner
Membership No.106403

ANNEXURE TO THE AUDITOR'S REPORT

Apian Finance and Investment Limited (Referred to in paragraph **"Report on other legal and Regulatory Requirements"**)

i) The Company does not have any fixed assets during the year, hence Paragraph 4 (i) (a), (b) & (c) of the order are not applicable to the Company.

ii) The company is not having inventories accordingly clause (ii) of the order is not applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has taken unsecured loan from one parties covered in the register maintained u/s 301 of the company Act 1956. The Maximum amount outstanding at any time during the year was Rs. 34.75Crore (Excluding Interest) and yearend balance is 19.21 Crore(Excluding Interest).

(f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the Loan taken are not prima facie prejudicial to the interest of the company.

(g) In our opinion and according to the information and explanation given to us, the payment of principal and interest is regular as per terms and conditions.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lac in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) According to the information and explanations given to us the company has adequate in- house Internal Audit system commensurate with the size and the nature of its business.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities however few delays were found in some cases.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

xiv) In our opinion and according to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other Investment. The Company has invested surplus fund in the shares and mutual funds. According to the information and explanation given to us proper records have been maintained of the transaction and timely entries have been made therein. The Mutual funds and shares have been held by the company in its own name.

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken term loan during the year ,accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

ANNEXURE TO THE AUDITOR'S REPORT

Apian Finance and Investment Limited (Referred to in paragraph **"Report on other legal and Regulatory Requirements"**)

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

Place: Mumbai
Dale : 28.05.2014

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN - 118424W

Chaturvcdi V N
Partner
Membership No.106403

BALANCE SHEET as at 31st March, 2014

(In ₹)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
Equities and Liabilities			
1 Shareholders' funds			
(a) Share capital	2	43,143,950	43,143,950
(b) Reserve and surplus	3	39,601,225	28,491,153
		82,745,175	**71,635,103**
2 Current liabilities			
(a) Short term borrowings	4	192,051,595	347,551,595
(b) Trade payables	5	4,061,223	214,455
(c) Other current liabilities	6	451,701	806,656
(d) Short term provisions	7	2,350,926	2,608,340
		198,915,445	**351,181,046**
		281,660,620	**422,816,149**
Assets			
1 Non current assets			
(a) Non current investments	8	89,092	2,415,969
(b) Long term loans and advances	9	30,857,996	243,575,735
		30,947,088	**245,991,704**
2 Current assets			
(a) Current investments	10	85,348,562	60,468,139
(b) Cash and bank balances	11	13,776,288	1,624,985
(c) Short term loans and advances	12	151,588,682	114,731,321
		250,713,532	**176,824,445**
		281,660,620	**422,816,149**
Summary of significant accounting policies	1		

The accompanying notes 17 to 22 are integral part of the financial statements.

As per our attached report of even date
For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi V N
Partner
Membership No.: 106403

Place : Mumbai
Date: 28.05.2014

For and on behalf of the Board

Devendra Agrawal
Director

Hariraj Chouhan
Director

Place : Mumbai
Date: 28.05.2014

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

(In ₹)

Particulars	Note no.	Year Ended 31.03.2014	Year Ended 31.03.2013
CONTINUING OPERATION			
(I) Revenue			
Revenue from operations	13	22,295,612	33,838,382
Other income	14	11,186,973	8,618,835
Total revenue (I)		**33,482,585**	**42,457,217**
(II) Expenses			
Other expenses	15	544,204	1,621,117
Finance cost	16	18,628,309	28,907,393
Total expenses (II)		**19,172,513**	**30,528,510**
(III) Profit before tax (PBT) (I-II)		**14,310,072**	**11,928,707**
Tax expense			
- Current tax		3,200,000	3,685,033
(IV) Total tax expenses from continuing operation		**3,200,000**	**3,685,033**
(V) Profit for the year (III-IV)		**11,110,072**	**8,243,674**
(VI) Earnings per share			
Basic	18	2.58	1.91
Diluted		2.58	1.91
Face Value Per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes 17 to 22 are integral part of the financial statements.

As per our attached report of even date
For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi V N
Partner
Membership No.: 106403

Place : Mumbai
Date: 28.05.2014

For and on behalf of the Board

Devendra Agrawal
Director

Hariraj Chouhan
Director

Place : Mumbai
Date: 28.05.2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(In ₹)

Particulars	Year Ended 31.03.2014		Year Ended 31.03.2013	
A. Cash flow from operating activities				
Net profit before tax		14,310,072		11,928,707
Adjustments for:				
Interest expense				
Profit from sale of investments	(3,286,630)		(1,618,711)	
Diminution in value of investments	-		472,221	
Debenture interest income	(6,300,000)		(6,300,409)	
Dividend income	(1,600,343)		(699,715)	
		(11,186,973)		(8,146,614)
Operating profit before working capital changes		3,123,099		3,782,093
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade payables	3,846,768		15,915	
Short-term loans and advances	(30,557,361)		(13,945,095)	
Long-term loans and advances	212,717,739		(15,684,737)	
Adjustments for (increase) / decrease in operating liabilities:				
Short term provisions	-		-	
Other current liabilities	(354,955)		(13,987)	
		185,652,191		(29,627,904)
Used Cash from operations		188,775,290		(25,845,811)
Less: Taxes paid/ provided(net)		(3,457,413)		(2,495,469)
Net cash used in operating activities		**185,317,877**		**(28,341,280)**
B. Cash flow from investing activities				
Purchase of investments		(236,603,681)		(141,740,758)
Proceeds from sale of investments		217,336,764		137,635,141
Interest income on debentures		-		409
Dividend income		1,600,343		699,715
Net cash (used in)/ from investing activities		**(17,666,574)**		**(3,405,493)**
C. Cash flow from financing activities				
Proceeds from borrowings		500,000		165,650,000
Repayment of borrowings		(156,000,000)		(145,098,405)
Net cash from financing activities		**(155,500,000)**		**20,551,595**
Net cash flow during the year		**12,151,303**		**(11,195,179)**
Net (decrease) / increase in cash and cash equivalents		**12,151,303**		**(11,195,179)**
Cash and cash equivalents (opening balance)		**1,624,985**		**12,820,164**
Cash and cash equivalents (closing balance)		**13,776,288**		**1,624,985**

CASH FLOW STATEMENT for the year ended 31st March, 2014

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current and deposit accounts. Reconciliation of cash and bank balance (refer note 11) with cash and cash equivalent is as follows:

(In ₹)

	Current Year	Previous Year
Cash and cheques on hand	-	-
Bank balances		
- In current account/overdraft account	13,776,288	1,624,985
Cash and cash equivalents	**13,776,288**	**1,624,985**

2. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard issued(AS 3) " Cash Flow Statement " by The Institute of Chartered Accountants of India.
3. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI.

As per our attached report of even date
For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi V N
Partner
Membership No.: 106403

Place : Mumbai
Date: 28.05.2014

For and on behalf of the Board

Devendra Agrawal
Director

Hariraj Chouhan
Director

Place : Mumbai
Date: 28.05.2014

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Revenue recognition

Income from Interest:

Revenue is recognized when no significant uncertainty as to determination or realization exists.

All income and expenditure items having a material bearing on the financial statement are recognized on accrual basis subject to the Reserve Bank of India Guidelines applicable to the Non Banking Financial Companies in respect of prudential norms for income recognition & assets classification.'

1.5 Other income

Interest on debenture is recognised on accrual basis on pro-rata basis as per coupen rate. Dividend income is accounted for when the right to receive it is established.

1.6 Investments

Investments are classified as current investments and non-current (long-term) investments. Current investments are carried at the lower of cost and quoted & un-quoted/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 average carrying amount of the investments and sale proceeds, net of expenses, is recognized as profit or loss on sale of investments.

1.7 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to statement of profit & loss.

1.8 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.9 Provisions and contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

NOTES to financial statements for the year ended 31st March, 2014

(In ₹)

		As at 31.03.2014		As at 31.03.2013	
2	SHARE CAPITAL	Nos.	₹	Nos.	₹
	Authorised:				
	Equity shares of ₹10/- each	49,600,000	496,000,000	49,600,000	496,000,000
	Preference Shares of ₹100/- each.	40,000	4,000,000	40,000	4,000,000
		49,640,000	**500,000,000**	**49,640,000**	**500,000,000**
	Issued, subscribed & paid up:				
	Equity shares of ₹10/- each fully paid-up	4,314,395	43,143,950	4,314,395	43,143,950
		4314395	**43,143,950**	**4,314,395**	**43,143,950**

a) Reconciliation of the equity shares outstanding at the begging and at the end of the year.

	As at 31.03.2014		As at 31.03.2013	
	Nos.	₹	Nos.	₹
At the beginning of the year	4,314,395	43,143,950	4,314,395	43,143,950
Issued during the year	-	-	-	-
Outstanding at the end of the year				
	4,314,395	**43,143,950**	**4,314,395**	**43,143,950**

The company has only one class of equity shares having par value of Rs 10/- each. Each holder of equity share is entitled to one vote per share. In the event of Liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholdings.

b) Shares held by holding company

	As at 31.03.2014		As at 31.03.2013	
	Nos.	₹	Nos.	₹
Financial Technologies (India) Ltd.	**4,314,395**	**43,143,950**	4,313,845	43,143,950

c) Details of the shareholders holding more than 5% of the shares in the company

	As at 31.03.2014		As at 31.03.2013	
	Nos.	₹	Nos.	₹
Financial Technologies (India) Ltd. (100% holding from 30th October, 2013)	**4,314,395**	**100%**	4,313,845	99.99%

(In ₹)

3	RESERVES AND SURPLUS	As at 31.03.2014	As at 31.03.2013
	Surplus in the statement of profit and loss		
	Balance as per last financial statements	24,482,266	17,062,959
	Add : Profit for the year	11,110,072	8,243,674
		35,592,338	**25,306,633**
	Less : Appropriations to statutory reserve	(1,111,007)	(824,367)
	Net surplus in the statement of profit and loss	**34,481,331**	**24,482,266**
	Other reserves		
	Securities premium account	1,201,750	1,201,750
	Statutory Reserve*:		
	Balance as per last balance sheet	2,807,137	1,982,769
	Add: Transfer from statement of profit & loss	1,111,007	824,367
		3,918,144	**2,807,137**
		39,601,225	**28,491,153**

(The reserve is created as per requirement prescribed by the Reserve Bank of India for non banking financial corporation)

NOTES to financial statements for the year ended 31st March, 2014

(In ₹)

		As at 31.03.2014	As at 31.03.2013
4	**SHORT-TERM BORROWINGS**	**As at 31.03.2014**	**As at 31.03.2013**
	Unsecured loan		
	- from holding company -repayable on demand	192,051,595	347,551,595
	(Unsecured loan is repayable on demand and cariies interest rate 8.25% to 10.25% p.a.)		
	(refer note 17)	**192,051,595**	**347,551,595**
5	**TRADE PAYABLES**		
	Trade payables	4,061,223	214,455
	(refer note 20 for details of dues to micro and small enterprises)		
		4,061,223	**214,455**
6	**OTHER CURRENT LIABILITIES**		
	Statutory remittances		
	TDS payables	451,701	806,656
		451,701	**806,656**
7	**SHORT-TERM PROVISIONS**		
	Provision for income tax (net of advance tax)	2,350,926	2,608,340
		2,350,926	**2,608,340**
8	**NON-CURRENT INVESTMENT**		
	Non-trade		
	(A) Quoted - in Shares		
	(1) 20 (previous Year: 20) equity shares of ₹10/- each fully paid-up of Sanofi India Limited (Market price as on 31st March, 2014 - ₹3,074.70 per share)	27,251	27,251
	(2) 150 (previous Year: 150) equity shares of ₹2/- each fully paid-up of Britannia Industries Limited (Market price as on 31st March, 2014 - ₹843.40 per share)	44,422	44,422
	(3) Nil (previous Year: 600) equity shares of ₹10/- each fully paid-up of First Source Solution Limited.	-	10,800
	(4) Nil (previous Year: 10) equity shares of ₹10/- each fully paid-up of ICICI Bank Limited.	-	11,127
	(5) Nil (previous Year: 250) equity shares of ₹2/- each fully paid-up of LIC Housing Finance Limited	-	18,584
	(6) Nil (previous Year: 100) equity shares of ₹2/- each fully paid-up of Adani port and Special Economic Zone Limited.	-	13,646
	(7) 50 (previous Year: 50) equity Shares of ₹10/- each fully paid-up of State Bank of Bikaner & Jaipur (Market price as on 31st March, 2014 - ₹329.20 per share)	16,409	16,409
		88,082	**142,239**
	(B) Unquoted		
	(a) -in shares		
	(1) Nil (previous Year: 227,272) equity shares of ₹10/- each fully paid-up of Edelweiss Assets Reconstruction Company Limited.	-	2,272,720
	(2) 20 (previous Year: 20) equity Shares of ₹50/- each fully paid-up Nagpur Nagrik Sahakari Bank Limited	1,010	1,010
		1,010	**2,273,730**
		89,092	**2,415,969**
	Note:		
	1) Aggregate value of quoted investments	88,082	142,239
	2) Aggregate Value of unquoted investments	1,010	2,273,730
	3) Aggregate market value of listed and quoted investments	204,464	237,633

NOTES to financial statements for the year ended 31st March, 2014

(In ₹)

9	LONG-TERM LOANS AND ADVANCES	As at 31.03.2014	As at 31.03.2013
	Other loan and advances		
	- Others (Unsecured, considered good as per management and subject to confirmation)	9,441,278	234,700,867
	- Loans to related party (unsecured, considered good)	21,416,717	8,874,868
	(Refer note no. 17)		
		30,857,996	**243,575,735**
10	**CURRENT INVESTMENT**		
	I Current portion of long term investments (at cost)		
	- in debentures		
	(1) 450,000 (previous year 450,000) 8% debenture of ₹100/- each in DSRM Embedded Technologies (I) Pvt. Ltd	45,000,000	45,000,000
		45,000,000	**45,000,000**
	II Other current investments		
	(A) Quoted		
	- in shares		
	(1) Nil (previous Year: 6,022) equity shares of ₹5/- each fully paid-up in Greenply Industries Limited	-	1,153,362
	(2) Nil (previous Year: 4,589) equity shares of ₹2/- each fully paid up in Balkrishna Industries Ltd.	-	820,271
	(3) Nil (previous Year: 1046) equity shares of ₹10/- each fully paid up in Shriram Transport Finance Company Limited	-	557,304
	(4) Nil (previous Year: 4,594) equity shares of ₹2/- each fully paid up in Dhanuka Agritech Limited	-	406,062
	(5) Nil (previous Year: 2,663) equity shares of ₹10/- each fully paid up in Setco Automotive Limited	-	273,150
	(6) Nil (previous Year: 2,381) equity shares of ₹5/- each fully paid up in Astral poly Technik Limited	-	435,763
	(7) Nil (previous Year: 4,149) equity shares of ₹10/- each fully paid up in Hindustan Media Ventures Limited	-	534,419
	(8) Nil (previous Year: 4,916) equity shares of ₹2/- each fully paid up in Lumax Auto Technologies Limited	-	648,912
	(9) Nil (previous Year: 2,498) equity shares of ₹2/- each fully paid up in Supreme Industries Limited	-	492,941
	(10)Nil (previous Year: 2,172) equity shares of ₹1/- each fully paid up in Motherson Sumi Systems Limited	-	244,324
	(11)Nil (previous Year: 4,772) equity shares of ₹10/- each fully paid up in Net 4 India Ltd	-	284,057
	(12)Nil (previous Year: 10,356) equity shares of ₹1/- each fully paid up in City Union Bank	-	510,675
	(13)Nil (previous Year: 3,678) equity shares of ₹2/- each fully paid up in HSIL Limited	-	335,250
	(14)Nil (previous Year: 8,299) equity shares of ₹1/- each fully paid up in Sundram Fasteners Limited	-	336,109
	(15)Nil (previous Year: 4,095) equity shares of ₹2/- each fully paid up in KPIT Kummins Infosystems Limited	-	393,325
	(16) Nil (previous Year: 2,242) equity shares of ₹2/- each fully paid up in Nava Bharat Ventures Limited	-	372,957
	(17) Nil (previous Year: 535) equity shares of ₹10/- each fully paid up in Shriram City Union Finance Limited	-	566,671
	(18) Nil (previous Year: 1,593) equity shares of ₹10/- each fully paid up in TD Power Systems Limited	-	394,030
		-	**8,759,582**

NOTES to financial statements for the year ended 31st March, 2014

(In ₹)

	As at 31.03.2014	As at 31.03.2013
(B) UNQUOTED		
- IN MUTUAL FUNDS		
(1) 1,469.651 (previous Year 1,302.195) units of ₹10/- each of HDFC Tax Saver-Dividend Option Reinvest (NAV as on 31st March, 2014 - ₹49.478 per unit)	57,134	49,321
(2) Nil (previous year 9,240.2457) units of ₹10/- each in HDFC Liquid Fund - Growth	-	212,000
(3) Nil (previous Year 3,23,862.795) units of ₹10/- each of 'Reliance Medium Term Fund - Daily Dividend Plan - Dividend ReInvestment	-	5,536,773
(4) 26,355.972 (PREVIOUS YEAR NIL) UNITS OF ₹1,000/- EACH IN RELIANCE LIQUIDITY FUND - DDR (NAV AS ON 31ST MARCH, 2014 - ₹1528.74 PER UNIT)	40,291,429	-
(5) Nil (previous year 37,074.9468) units of ₹10/- each in HDFC CMF - Treasury Advantage-Retail Plan	-	910,463
	40,348,562	**6,708,557**
	85,348,562	**60,468,139**
Note:		
1) Aggregate value of quoted investments	-	8,759,582
2) Aggregate Value of unquoted investments	85,348,562	51,708,557
3) Aggregate market value of listed and quoted Investments	-	111,707,060
4) Aggregate provision for diminution in the value of other current investments	-	472,221
11 CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	-	-
Bank balances:		
- in Current Account	13,776,288	1,624,985
	13,776,288	**1,624,985**
12 SHORT-TERM LOANS AND ADVANCES		
OTHER LOAN AND ADVANCES		
- Others - (Unsecured, considered good as per management and subject to confirmation)	136,350,586	108,532,748
- Loans to related party (unsecured, considered good)	15,226,970	5,765,061
(Refer note no. 17)		
Other receivables	11,126	433,513
	151,588,682	**114,731,321**
13 REVENUE FROM OPERATIONS		
Other operating revenue	22,295,612	33,838,382
	22,295,612	**33,838,382**
14 OTHER INCOME		
Dividend from:		
- Current investments	1,600,343	663,235
- Long-term investments	-	36,480
Interest income from:		
- Debenture	6,300,000	6,300,409
Profit on sale of mutual fund (net)	15,589	76,746
Net gain on sale of :		
- Current investments	3,271,041	1,541,965
	11,186,973	**8,618,835**

NOTES to financial statements for the year ended 31st March, 2014

(In ₹)

15	OTHER EXPENSES	As at 31.03.2014	As at 31.03.2013
	Managed services charges	134,832	134,832
	Payment to auditor (refer details below)	168,540	240,586
	Diminution in valuation of investments.	-	472,221
	Legal and professional charges	194,884	727,044
	ROC fees expenses	4,084	2,044
	Membership, subscription & fees	28,090	28,090
	Miscellaneous expenses*	13,774	16,300
		544,204	**1,621,117**
	*(*includes bank charges and commission, STT charges and demat charges etc.)*		
	Details of payment to auditor		
	As auditor :		
	Audit fee	168,540	143,025
	In other capacity		
	Taxation matters	-	97,051
	(includes tax audit fees and other taxation fees)		
	Other services	-	510
		168,540	**240,586**
16	FINANCE COST		
	Interest expenses on :		
	- borrowings (to holding company on unsecured loan)	18,628,309	28,831,922
	- others	-	75,471
		18,628,309	**28,907,393**

17 RELATED PARTY DISCLOSERS

(A) Names of related parties and related party relationship :

(i) Company whose control exists (Holding Company) : Financial Technologies (India) Limited

(ii) Fellow Subsidiaries
(with whom transactions are carried out) : National Bulk Handling Corporation Limited
: Atom Technologies Limited

(iii) Key Management Personnel (KMP) : Anil Choudhary (Director) (upto 09.01.2014)

There is no related parties transactions are carried out during the year ended 31st March 2014 and during the year ended 31st March, 2013 hence the details has not been provided.

(B) RELATED PARTIES TRANSACTIONS:

(In ₹)

NATURE OF TRANSACTIONS	Holding Company		Fellow Subsidiaries	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Managed service charges paid	134,832	134,832	-	-
Interest paid.	18,568,754	28,831,922	-	-
Interest Received			2,500,684	130,738
Reimbursement of other expenses				
- Charged by them	-	-	-	-
- Charged to them	-	-	59,996	136,289

NOTES to financial statements for the year ended 31st March, 2014

(In ₹)

NATURE OF TRANSACTIONS	Holding Company		Fellow Subsidiaries	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Loan taken and repayment thereof				
Opening Balances as on 1st April 2013	347,551,595	327,000,000	-	-
Taken during the period	500,000	165,650,000	-	-
Repaid during the year	156,000,000	145,098,405	-	-
Conversion of Loan into Equity	-	-	-	-
Closing balance as on 31st March 2014	192,051,595	347,551,595	-	-
Loan given and repayment thereof				
Opening Balances as on 1st April 2013	-	-	14,639,928	-
Given during the period	-	-	30,000,000	15,000,000
Repaid during the year	-	-	7,996,242	360,072
Closing balance as on 31st March 2014	-	-	36,643,686	14,639,928
Closing Balance				
- Debit (excluding loan payable)	-	-	159,303	13,563
- Credit	195,855,401	347,551,595	-	-

Note: Related party relationship is as identified by the Company and relied upon by the auditors.

(C) MAJOR TRANSACTION WITH FELLOW SUBSIDIARIES :

(In ₹)

	As at 31.03.2014	As at 31.03.2013
Interest Received		
Atom Technologies Limited	2,500,684	130,738
Other reimbursement of expenses		
- Charged by them		
National Bulk Handling Corporation Limited	59,996	136,289
Loan given and repayment thereof		
Atom Technologies Limited -		
Opening balances	14,639,928	-
Taken during the period	30,000,000	15,000,000
Repaid during the year	7,996,242	360,072
Closing balance	36,643,686	14,639,928
Closing balance		
- Debit		
Atom Technologies Limited	151,622	
National Bulk Handling Corporation Limited	7,681	13,563

NOTES to financial statements for the year ended 31st March, 20142014

(In ₹)

		As at 31.03.2014	As at 31.03.2013
18	**EARNINGS PER SHARE (EPS)**		
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Total operations for the year		
	Net profit after tax for calculation of basic EPS	11,110,072	8,243,674
	Weighted average number of equity shares basic (nos.)	4,314,395	4,314,395
	Weighted average number of equity shares diluted (nos.)	4,314,395	4,314,395
	Basic earnings per share	2.58	1.91
	Diluted earnings per share	2.58	1.91
	Nominal value of equity share	10/-	10/-
19	**CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)**		
	a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
	b) Contingent liabilities not provided for	NIL	NIL
		NIL	**NIL**
20	**DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006**		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
		-	**-**

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

21 The company's main object is to engage in the business of Financing activities. The Company has considered business segment as Primary segment. Thus, there is only one identified reportable segment.

22 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi V N
Partner
Membership No.: 106403

Place : Mumbai
Date: 28.05.2014

For and on behalf of the Board

Devendra Agrawal
Director

Hariraj Chouhan
Director

Place : Mumbai
Date: 28.05.2014

DIRECTORS' REPORT

To,

The Members,

Your Directors present the Sixth Annual Report of your Company along with the Audited Statement of the accounts for the Financial Year ended 31st March, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. FINANCIAL RESULTS AND OPERATIONS:

The Financial performance of your Company for the year ended 31st March, 2014 is summarized below:

(in INR)

PARTICULARS	FY 13-14	FY 12-13
Total Income	-	-
Total Expenditure	28,801	38,576
Loss before Tax	(28,801)	(38,576)
Provision for Tax	-	-
Loss after Tax	(28,801)	(38,576)
Balance carried to Balance Sheet	(5,88,125)	(5,59,324)

2. DIVIDEND:

Since the Company has incurred loss during the year under review, your Directors do not recommend any dividend.

3. TRANSFER TO RESERVES:

No amount is transferred to Statutory Reserves during the year under review.

4. SHARE CAPITAL:

There is no change in the issued and paid-up share capital of your Company during the year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. FIXED DEPOITS:

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

6. LOAN:

The Company has an unsecured loan of ₹1,50,000/- as on 31st March 2014.

7. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Hariraj Chouhan - Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Hariraj Chouhan in the ensuing Annual General Meeting.

During the year, Mr. Shreekant Javalgekar ceased to be the Director of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. Shreekant Javalgekar during his association with the Company.

The other Directors continue to be on the Board of your Company.

8. AUDITORS:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014.

DIRECTORS' REPORT

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

9. AUDITORS REPORT:

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Your Company is committed for adoption of various energy savings methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations.

Considering the nature of your Company's business there were no exports during the year under review and no exports are foreseen. During the year under review there was no Foreign Exchange Earnings and outgo.

11. PARTICULARS OF EMPLOYEES:

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

12. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2013-14 and of the loss of the Company for that period;

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

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

It was informed that Financial Technologies (India) Limited, the holding Company, is intending to exit by divesting its stake in the Company.

13. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Place: Mumbai	**Devendra Agrawal**	**Hariraj Chouhan**
Date: 07.08.2014	Director	Director

AUDITOR'S REPORT

To the Members of **Trans-Global Credit & Finance Limited**

We have audited the accompanying financial statements of Trans-Global Credit & Finance Limited, which comprise the Balance sheet as at March 31,2014, and the statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the statement of profit and loss, of the loss for the year ended on that date and

(c) In the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

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

As required by section 227(3) of the act, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN : 118424 W
Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 28.05.2014

ANNEXURE TO THE AUDITOR'S REPORT

Trans-Global Credit & Finance Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

i) The company does not have any fixed assets during the year, hence clause (i) (a), (b) and (c) of the Order are not applicable to the Company.

ii) The company is not having inventories accordingly clause (ii) of the order is not applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has taken unsecured loan from one party covered in the register maintained u/s 301 of the company Act 1956. The Maximum amount outstanding at any time during the year was ₹1.5 lacs (excluding interest) and year end balance is 1.5 lacs (excluding interest).

(f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the Loan taken are not prima facie prejudicial to the interest of the company.

(g) In our opinion and according to the information and explanation given to us, the payment of principal and interest is regular as per terms and conditions.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹5 lac in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) The Company does not have Paid up capital of ₹50 lacs or average turnover exceeding ₹5 crores for a period of 3 consecutive financial years immediately preceding the relevant financial year hence paragraph 4(vii) of the order is not applicable to the Company.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company's accumulated losses at the end of the financial year are more than 50% of net worth of Company. The Company has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

xiv) In our opinion and according to the information and explanations given to us the Company is not dealing or trading in shares, securities, debentures or other investments, hence clause (xiv) of the Order is not applicable to the Company.

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken term loan during the year, accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

ANNEXURE TO THE AUDITOR'S REPORT

Trans-Global Credit & Finance Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN : 118424 W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 28.05.2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

Particulars	Note No.	As at 31st March 2013	As at 31st March 2013
Equities & liabilities			
1 Shareholders' funds			
(a) Share capital	2	500,000	500,000
(b) Reserve and surplus	3	(588,125)	(559,324)
		(88,125)	**(59,324)**
2 Current liabilities			
(a) Short term borrowings	4	150,000	150,000
(b) Trade payables	5	-	20,224
(c) Other current liabilities	6	1,235	2,877
		151,235	**173,101**
		63,110	**113,777**
3 Assets			
1 Current assets			
Cash and bank balances	7	63,110	113,777
		63,110	**113,777**
Summary of significant accounting policies	1		

The notes 10 to 16 referred to above form an integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 28.05.2014

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

Particulars	Note no.	For the year ended on 31st March, 2014	For the year ended on 31st March 2013
CONTINUING OPERATION			
(I) Revenue		-	-
Total revenue (I)		-	-
(II) Expenses			
Other expenses	8	15,306	25,488
Total expenditure (II)		**15,306**	**25,488**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I - II)		(15,306)	(25,488)
Finance cost	9	13,495	13,088
(IV) Loss before tax		**(28,801)**	**(38,576)**
Tax expense		-	-
(V) Total tax expensed from continuing operation		**-**	**-**
(VI) (Loss) for the year		**(28,801)**	**(38,576)**
(VII) Earnings per share	11		
Basic		(0.58)	(0.77)
Diluted		(0.58)	(0.77)
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The notes 10 to 16 referred to above form an integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 28.05.2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

Particulars	For the year ended on 31st March, 2014		For the year ended on 31st March, 2013	
A. Cash flow from opearting activities				
Net loss before tax		**(28,801)**		**(38,576)**
Adjustments for:				
Interest expenses	13,495		13,088	
		13,495		13,088
Operating loss before working capital changes		**(15,307)**		**(25,489)**
Changes in working capital:				
Adjustments for increase/ (decrease) in operating liabilities:				
Trade payables	(20,224)		370	
Other current liabilities	(1,642)		422	
		(21,866)		792
Cash used in operating activities		**(37,172)**		**(24,696)**
Less: Taxes paid		-		-
Net cash used in operating activities		**(37,172)**		**(24,696)**
B. Cash flow from investing activities		-		-
Net cash from/ (used in) investing activities		-		-
C. Cash flow from financing activities				
Proceeds from borrowings		-		50,000
Interest expense		(13,495)		(13,088)
Net cash from / (used in) financing activities		**(13,495)**		**36,912**
Net cash flows during the year		**(50,667)**		**12,216**
Net increse / (decrease) in cash and cash equivalents		**(50,667)**		**12,216**
Cash and cash equivalents (opening balance)		**113,777**		**101,561**
Cash and cash equivalents (closing balance)		**63,110**		**113,777**
Notes to cash flow statement:				

1. Cash and cash equivalents include cash and bank balances in current accounts. Reconciliation of cash and bank balance (refer note 7) with cash and cash equivelant is as follows:

	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
Bank balances:		
- in current account	63,110	113,777
Cash and bank balance	**63,110**	**113,777**

2. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.
3. Previous years figures have been regrouped, rearranges, reclassified wherever necessary to correspond with the figures of the current year as required under revised schedule VI

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 28.05.2014

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or noncurrent as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash flow statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.5 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.6 Provisions and contingencies

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent liabilities are disclosed by way of notes to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent assets are neither recognized nor disclosed.

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

2	SHARE CAPITAL	31st March 2014		31st March 2013	
		Nos.	₹	Nos.	₹
	Authorised:				
	Equity shares of ₹10/- each	2,990,000	29,900,000	29,900,00	29,900,000
	0% Redeemable preference shares of ₹10/- each	10,000	100,000	100,00	100,000
		3,000,000	**30,000,000**	**3,000,000**	**30,000,000**
	Issued, subscribed & paid up:				
	Equity shares of ₹10/- each fully paid-up	50,000	500,000	50,000	500,000
		50,000	**500,000**	**50,000**	**500,000**
	a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.				
	At the beginning of the year	50,000	500,000	50,000	500,000
	Issued during the year	-	-	-	
	Outstanding at the end of the year	**50,000**	**500,000**	**50,000**	**500,000**
	The company has only one class of equity shares having par value of ₹10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.				
	b) Shares held by holding company				
	Financial Technologies (India) Ltd.	50,000	500,000	50,000	500,000
		Nos.	**% of holding**	**Nos.**	**% of holding**
	c) Details of the shareholders holding more than 5% of the shares in the company				
	Financial Technologies (India) Ltd.	50,000	100	50,000	100
	*Includes Six Equity shares of the company which is held by other six member of the company. Financial Technologies (India) Ltd. has all the beneficial interest related to these six equity shares.				
3	**RESERVES AND SURPLUS**				
	Surplus / (deficit) in the statement of profit and loss				
	Balance as per last financial statements			(559,324)	(520,748)
	Add:Profit / (Loss) for the year			(28,801)	(38,576)
	Net deficit in the statement of profit and loss			**(588,125)**	**(559,324)**

		As at 31st March, 2014	As at 31st March 2013
4	**SHORT TERM BORROWINGS**		
	Unsecured loan		
	-from holding company -repayable on demand	150,000	150,000
	(refer note no. 10)		
		150,000	**150,000**
5	**TRADE PAYABLES**		
	Trade payables (refer note 13 for details of dues to micro and small enterprises)	-	20,224
		-	**20,224**
6	**OTHER LIABILITIES**		
	TDS payables	330	2,877
	Interest accrued and due	905	-
		1,235	**2,877**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

Particulars		As at 31st March, 2014	As at 31st March 2013
7	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Bank balances:		
	With scheduled banks:		
	- in current account	63,110	113,777
		63,110	**113,777**
8	**OTHER EXPENSES**		
	Payment to auditor (refer details below)	11,236	22,472
	Legal and professional charges	500	412
	ROC fees	3,570	2,042
	Bank charges	-	562
		15,306	**25,488**
	Details of payment to auditor		
	As auditor :		
	Audit fee	11,236	11,236
	Taxation matters	-	11,236
		11,236	**22,472**
9	**FINANCE COST**		
	Interest expenses		
	- to holding company on unsecured loan	13,495	13,088
		13,495	**13,088**

NOTES to financial statements for the year ended 31st March, 2014

10 RELATED PARTY DISCLOSURES

(A) Names of related parties and related party relationship

(i) Company whose control exists (holding company) : Financial Technologies (India) Limited (since incorporation)

(ii) Fellow subsidiaries (having common Directors with whom no transections are carried out) : Financial Technologies Communications Limited
Bourse India Limited
Global Payment Networs Limited
Apian Finance and Investment Limited
Trans Global Credit And Finance Limited
Credit Market Services Limited
Riskraft Consulting Limited

(ii) Other related party (having common Directors with whom no transections are carried out) : Grameen Pragati Foundation (Section 25 Company)
There are no transactions carried out during the year ended on 31st March 2014 and during the year ended 31st March, 2013, hence the details are not provided.

(iii) Key management personnel (KMP) : Dewang Neralla (Director)
There are no transactions carried out during the year ended on 31st March, 2014 and during the year ended 31st March, 2013, hence the details are not provided.

(B) Related parties transactions :

(₹)

Nature of transactions	Holding companies	
	31st March, 2014	**31st March 2013**
Interest paid during the period	13,495	13,088
Other reimbursement of expenses		
- Charged by them	-	-
Loan taken and repayment thereof		
Opening balances as at the beginning of the year	150,000	100,000
Taken during the period	-	50,000
Repaid during the period/year	-	-
Closing balance as at the end of the period/ year	150,000	150,000
Interest on above loan outstanding		
Charged during the period	13,495	
Outstanding	-	
Note: Related party relationship is as identified by the company and relied upon by the auditor.		
11 EARNINGS PER SHARE (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net (Loss) after tax for calculation of basic EPS	(28,801)	(38,576)
Weighted average number of Equity Shares Basic (Nos.)	50,000	50,000
Weighted average number of Equity Shares Diluted (Nos.)	50,000	50,000
Basic Earnings per share	(0.58)	(0.77)
Diluted Earnings per share	(0.58)	(0.77)
Nominal value of equity share	10/-	10/-

NOTES to financial statements for the year ended 31st March, 2014

(₹)

		Holding companies	
12	**CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**	**31st March, 2014**	**31st March 2013**
	a) Estimated amount of contract to be executed in capital account and not provided for (net of advances)	NIL	NIL
	b) Contingent liabilities not provided for	NIL	NIL
		NIL	NIL

13	**Details of due to micro and small enterprises as difined under the MSMED Act, 2006**		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	NIL	NIL
	Interest due on above		
		NIL	**NIL**

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

14 The company is engaged in the business of financing. The company has considered business segment as primary segment. Thus there is only one identified reportable segment.

15 During the year the company has incurred losses. The Company has also accumulated losses as at 31st March 2014 and also net worth is negative. The company has plans to achieve higher growth in the business, which would result into achieve higher revenue and improve the profitability and net worth. Accordingly, the accounts have been prepared on going concern basis which is dependent upon future growth of business and profitability.

16 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 28.05.2014

For and on behalf of the Board

Dewang Neralla
Director

Devendra Agrawal
Director

Place : Mumbai
Date : 28.05.2014

DIRECTORS' REPORT

To

The Members,

Your Directors present the Sixth Annual Report of your Company with the Audited Statement of Accounts for the financial year ended March 31, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. REVIEW OF OPERATIONS:

(INR)

PARTICULARS	FY 2013-14	FY 2012-13
Total Income	6,900	-
Total expenditure	2,09,555	2,34,572
Loss before tax	(2,02,655)	(2,34,572)
Provisions for Taxes	-	-
Loss After tax	(2,02,655)	(2,34,572)
Balance carried to Balance Sheet	(5,28,54,309)	(5,26,51,654)

2. DIVIDEND:

Since the Company has incurred loss during the year under review, your Directors do not recommend any dividend.

3. TRANSFER TO RESERVES:

No amount is transferred to Statutory Reserves during the year under review.

4. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. LOANS:

As at March 31, 2014, the Unsecured Loans stood at ₹ 19,00,000/-.

6. FIXED DEPOSITS:

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

7. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Dewang Neralla – Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Dewang Neralla in the ensuing Annual General Meeting.

Mr. Shreekant Javalgekar ceased to be the Director of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. Shreekant Javalgekar during his association with the Company.

The other Directors continue to be on the Board of your Company.

DIRECTORS' REPORT

8. AUDITORS:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 read with the Companies (Audit and Auditors) Rules 2014 of the Companies Act, 2013.

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

9. AUDITORS' REPORT:

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

10. PARTICULARS OF EMPLOYEES:

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

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Your Company is committed for adoption of various energy saving methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations. Your Company also endeavors to carry out In-House R & D activities.

Considering the Company's nature of business, there were no exports during the year under review and your Directors do not foresee export potential in near future.

During the year under review, there were no foreign earnings and outgo.

12. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

a. in preparation of annual accounts for the year ended March 31, 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year 2013-14 and the loss made by the Company for that period;

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

d. that the annual accounts of the Company have been prepared on a going concern basis.

13. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by all the concerned bodies and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 05.08.2014

Dewang Neralla — Director
Hariraj Chouhan — Director

INDEPENDENT AUDITOR'S REORT

To the Members of **Credit Market Services Limited**

We have audited the accompanying financial statements of Credit Market Services Limited, which comprise the Balance sheet as at March 31, 2014, and the statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the statement of profit and loss, of the loss for the year ended on that date and

(c) In the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

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

As required by section 227(3) of the act, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

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For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN : 118424 W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 27.05.2014

ANNEXURE TO THE AUDITOR'S REPORT

Credit Market Services Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

i) In respect of its fixed assets:

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

(b) As explained to us, all the fixed assets have been physically verified by the management in phased periodical manner, which in our opinion is reasonable, having regards to the size of the company and nature of its assets. As Informed to us no material discrepancies were noticed on such physical verification.

(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

ii) The company is not having inventories accordingly clause (ii) of the order is not applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has taken unsecured loan from one parties covered in the register maintained u/s 301 of the company Act 1956. The Maximum amount outstanding at any time during the year was ₹19.00 Lacs (Excluding Interest) and yearend balance is 19.00 Lacs (Excluding Interest).

(f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of the Loan taken are not prima facie prejudicial to the interest of the company.

(g) In our opinion and according to the information and explanation given to us, the payment of principal and interest is regular as per terms and conditions.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹5 lac in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) According to the information and explanations given to us the company has adequate in- house Internal Audit system commensurate with the size and the nature of its business.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities however few delays were found in some cases.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company's accumulated losses at the end of the financial year are more than 50% of net worth of Company. The Company has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

ANNEXURE TO THE AUDITOR'S REPORT

Credit Market Services Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

xiv) In our opinion and according to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other Investment. The Company has invested surplus fund in mutual funds. According to the information and explanation given to us proper records have been maintained of the transaction and timely entries have been made therein. The Mutual funds have been held by the company in its own name.

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken term loan during the year, accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As the Company has no debentures outstanding at any time during the year, clause 4(xix) of the Order is not applicable to the Company.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN : 118424 W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 27.05.2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

Particulars	Note No.	As at 31st March 2013	As at 31st March 2013
Equities and liabilities			
1 Shareholders' funds:			
(a) Share capital	2	52,500,000	52,500,000
(b) Reserve and surplus	3	(52,854,309)	(52,651,654)
		(354,309)	**(151,654)**
2 Current liabilities			
(a) Short-term borrowings	4	1,900,000	1,900,000
(b) Trade payables	5	25,000	30,354
(c) Other current liabilities	6	41,823	8,097
		1,966,823	**1,938,451**
		1,612,514	**1,786,797**
Assets			
3 Non-current assets			
(a) Tangible Fixed assets	7	1,117	6,084
(b) Long-term loans and advances	8	1,434,237	1,432,052
		1,435,354	**1,438,136**
4 Current assets			
(a) Cash and bank balances	9	61,236	231,799
(b) Short-term loans and advances	10	69,372	71,410
(c) Other current assets	11	46,552	45,452
		177,160	**348,661**
		1,612,514	**1,786,797**
Summary of significant accounting policies	1		

The accompanying notes 17 to 25 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 27.05.2014

For and on behalf of the Board.

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 27.05.2014

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

Particulars	Note no.	31st March 2014	31st March 2013
Continuing operation			
(I) Revenue			
Other income		6,900	-
Total revenue (I)		**6,900**	**-**
(II) Expenses			
Employee benefit expenses	13	216	1464
Other expenses	14	33,436	59,035
Total Expenditure (II)		**33,652**	**60,499**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		(26,752)	(60,499)
Depreciation and amortization	15	4,967	3,620
Finance costs	16	170,936	170,453
(IV) Loss before tax		**(202,655)**	**(234,572)**
Tax expense			
- Current tax		-	-
(V) Total tax expensed from continuing operation		-	-
(VI) (Loss) for the year		**(202,655)**	**(234,572)**
(VII) Earnings per share	17		
Basic		(0.04)	(0.04)
Diluted		(0.04)	(0.04)
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes 17 to 25 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 27.05.2014

For and on behalf of the Board.

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 27.05.2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

Particulars	For the year ended on 31st March, 2014		For the year ended on 31st March, 2013	
A. Cash flow from opearting activities				
Net loss before tax		(202,655)		(234,572)
Adjustments for:				
Depreciation/ amortisation	4,967		3,620	
Dividend from investments	-		-	
Interest expense	170,936		170,453	
Interest income on income tax refund	-		-	
Loss on sale of fixed assets/ written off	-		-	
Interest Income	-		-	
		175,903		174,073
Operating profit / (loss) before working capital changes		**(26,752)**		**(60,499)**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	-		-	
Short-term loans and advances	2,039		11,706	
Long-term loans and advances	(2,185)		3,186	
Other current assets	(1,100)		(45,452)	
Other non-current assets	-		-	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(5,354)		7,154	
Other current liabilities	33,727		1,157	
Other long-term liabilities	-		-	
Short-term provisions	-		-	
Long-term provisions	-		-	
		27,126		(22,249)
Cash from / (used in) operations		374		(82,748)
Less: Tax refund /(paid)		(0)		(0)
Net cash from / (used in) operating activities		**374**		**(82,748)**
B. Cash flow from investing activities		-		-
Purchase of fixed assets		-		-
Sale of fixed assets		-		-
Purchase of investments		-		-
Proceeds from sale of investments		-		-
Interest income on income tax refund		-		-
Dividend Income		-		-
Interest income		-		-
Net Cash from / (used in) investing activities		-		-
C. Cash flow from financing activities				
Proceeds from borrowings		-		-
Repayment of borrowings		-		-
Interest expense		(170,936)		(170,453)
Net Cash flows used in financing activities		**(170,936)**		**(170,453)**
Net cash flow during the year		**(170,562)**		**(253,201)**
Net decrease in cash and cash equivalents		**(170,562)**		**(253,201)**
Cash and cash equivalents (opening balance)		**231,799**		**485,000**
Cash and cash equivalents (closing balance)		**61,236**		**231,799**

CASH FLOW STATEMENT for the year ended 31st March, 2014

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts.
   Reconciliation of cash and bank balance (Refer note 9) with cash and cash equivalents is as follows:

	31st March 2014	31st March 2013
Bank balances :		
- in current account	63,110	113,777
Cash and bank balance	**63,110**	**113,777**

2. Purchase of fixed assets as stated during the year are considered as part of investing activities.

2. Cash flow statement has been prepared under the “Indirect Method” as set out in Accounting Standard issued (AS 3) “ Cash Flow Statement “by The Institute of Chartered Accountants of India.

3. Previous years figures have been regrouped, rearranges, reclassified wherever necessary to correspond with the figures of the current year as required under revised schedule VI.

As per our attached report of even date

For Chaturvedi Sohan & Co.	**For and on behalf of the Board.**	
Chartered Accountants FRN - 118424W		
Chaturvedi VN Partner Membership No.: 106403	**Dewang Neralla** Director	**Hariraj Chouhan** Director
Place : Mumbai Date : 27.05.2014	Place : Mumbai Date : 27.05.2014	

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities has classified as current or noncurrent as per the Company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Depreciation and amortisation

Upto 31st December 2013, depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Act whichever is higher.

Depreciation in respect of assets costing less than ₹ 5,000 each is fully depreciated in the year of capitalisation

Effective 1st January, 2014, the Management has revised the estimated useful life of the following categories of assets as under.

Asset	Revised useful life
(a) Motor Vehicle	8 Years
(b) Office Equipment (Including Electrical Installations & Equipment)	2 to 10 Years
(c) Computer Hardware	3 to 6 Years
(d) Patent and Trademarks	8 years
(e) Technical know-how and computer software	6 years

Depreciation on assets sold, discarded or demolished during the year is being provided at their rate up to the date in which such assets are sold, discarded or demolished.

1.5 Revenue recognition

Revenue is recognized when no significant uncertainty as to determination or realization exists.

1.6 Tangible fixed assets

Fixed assets are stated at cost of acquisition inclusive of any tax, freight, any incidental expense incurred at the time of acquisition and / or installation less accumulated depreciation and impairment loss, if any. Any additions and deletions to fixed assets during the year are accounted at cost.

1.7 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to Statement of Profit & Loss.

1.8 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) “Accounting for Taxes on Income”. Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

NOTES to financial statements for the year ended 31st March, 2014

1.9 Impairment of assets

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

1.10 Provisions and contingencies

The Company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

(in ₹)

2	SHARE CAPITAL	31st March 2014		31st March 2013	
		Nos.	₹	Nos.	₹
	Authorised:				
	25,000,000 (Previous year 25,000,000 of ₹10/- each) Equity shares of Rs.10/- each	25,000,000	250,000,000	25,000,000	250,000,000
		25,000,000	**250,000,000**	**25,000,000**	**250,000,000**
	Issued, subscribed & paid up:				
	5,250,000 (Previous year 5,250,000 of ₹10/- each) Equity shares of ₹10/- each fully paid up	5,250,000	52,500,000	5,250,000	52,500,000
		5,250,000	**52,500,000**	**5,250,000**	**52,500,000**
	a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.				
	At the beginning of the year	5,250,000	52,500,000	5,250,000	52,500,000
	Issued during the year	-	-	-	-
	Outstanding at the end of the year	**5,250,000**	**52,500,000**	**5,250,000**	**52,500,000**
	The company has only one class of equity shares having par value of ₹10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.				
	b) Shares held by holding company				
	Financial Technologies (India) Ltd.	5,249,900	52,499,000	5,249,900	52,499,000

	31st March 2014		31st March 2013	
	Nos.	% of holding	Nos.	% of holding
c) Details of the shareholders holding more than 5% of the shares in the company				
Financial Technologies (India) Ltd.	5,249,900	99.998%	5,249,900	99.998%

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
3	**RESERVES AND SURPLUS**		
	Surplus /(Deficit) in the Statement of Profit and Loss		
	Balance as per last financial statements	(52,651,654)	(52,417,083)
	Add: Loss for the year	(202,655)	(234,572)
	Net deficit in the statement of profit and loss	**(52,854,309)**	**(52,651,654)**
4	**SHORT TERM BORROWINGS**		
	Unsecured Loan - (from Holding company) (refer note no. 18) (Unsecured loan is repayable on demand and cariies interest rate 8.25% to 10.25% p.a.)	1,900,000	1,900,000
		1,900,000	**1,900,000**
5	**TRADE PAYABLES**		
	Trade payables (refer note 21 for details of dues to micro and small enterprises)	25,000	30,354
		25,000	**30,354**
6	**OTHER LIABILITIES**		
	Statutory payable		
	TDS payables	4,182	8,087
	Statutory-other (PF/VAT/PT etc.)	10	10
	others payable	37,631	-
		41,823	**8,097**
8	**LONG TERM LOANS AND ADVANCES**		
	Other loan and advances		
	Unsecured , considered good		
	Prepaid expenses	-	780
	Balances with statutory/ government authorities - deposits	1,434,237	1,431,272
		1,434,237	**1,432,052**
9	**CASH AND BANK BALANCES**		
	Bank balances:		
	With scheduled banks:		
	- in current account	61,236	231,799
		61,236	**231,799**
10	**SHORT TERM LOANS AND ADVANCES**		
	Other Loan and advances		
	Prepaid expenses	779	2,818
	Tax deducted at source (net of provision)	68,592	68,592
		69,372	**71,410**
11	**OTHER CURRENT ASSETS**		
	Other Receivable	46,552	45,452
		46,552	**45,452**

NOTES to financial statements for the year ended 31st March, 2014

7 FIXED ASSETS

(in ₹)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION / IMPAIRMENT				NET BLOCK	
	Cost as at 01.04.2013	Additions for the year	Deletion/ Adjustments	Cost as at 31.03.14	Up to 01.04.13	For the Year	Deletions/ Adjustments	Up to 31.03.14	As at 31.03.14	As at 31.03.13
Tangible assets										
Computer hardware	22,332	-	-	22,332	16,248	4,967	-	21,215	1,117	6,084
Total	**22,332**	**-**	**-**	**22,332**	**16,248**	**4,967**	**-**	**21,215**	**1,117**	**6,084**
Previous year	**22,332**	**-**	**-**	**22,332**	**12,628**	**3,620**	**-**	**16,248**	**6,084**	**-**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

Particulars	31st March 2014	31st March 2013
12 OTHER INCOME		
Miscellaneous balances written back	6,900	
	6,900	**-**
13 EMPLOYEE BENEFIT EXPENSES		
Payment to and provisions for employees:		
Salaries and bonus (net of recovery)	24	24
Contribution to provident fund and other funds	192	192
Staff welfare expenses	-	1,248
	216	**1,464**
14 OTHER EXPENSES		
Payment to auditor (refer details below)	25,000	23,510
Professional tax	2,039	2,039
Legal and professional charges	-	27,823
ROC fees	5,617	5,100
Office expenses	780	-
Miscellaneous expenses	-	563
	33,436	**59,035**
Details of payment to auditor		
As auditor :		
Audit fee	25,000	10,000
In other capacity		
Taxation matters	-	13,000
other services	-	510
	25,000	**23,510**
15 Depreciation and amortization expense		
Depreciation of tangible assets	4,967	3,620
	4,967	**3,620**
16 Finance cost		
Interest expenses on		
-Borrowings (to holding company on unsecured loan)	170,936	170,453
(refer note 17)		
	170,936	**170,453**
17 EARNINGS PER SHARE		
Earnings per share (EPS):		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Total operations for the year		
Net loss after tax for calculation of basic EPS	(202,655)	(234,572)
Weighted average number of equity shares basic and diluted (nos.)	5,250,000	5,250,000
Basic and diluted earnings per share	(0.04)	(0.04)
Nominal value of equity share	10	10

NOTES to financial statements for the year ended 31st March, 2014

18 **Related party disclosers**

(A) Names of related parties and related party relationship :

(i) Company whose control exists (Holding company) : Financial Technologies (India) Limited (since incorporation)

(ii) Fellow subsidiaries : There are no transactions carried out during the year ended 31st March, 2014 and during the year ended 31st March, 2013, hence the details are not provided.

(iii) Key management personnel (KMP) : Dewang Neralla (Director)

There are no transactions carried out during the year ended 31st March, 2014 and during the year ended 31st March, 2013, hence the details are not provided.

(B) Related parties transactions :

(in ₹)

Nature of transactions	Holding companies	
	31st March, 2014	31st March 2013
Sale/purchase of goods, services and assets		
Interest paid	170,936	170,453
	-	-
Other reimbursement of expenses		
-Charged by them	-	19,136
Loan taken and repayment thereof		
Opening balances as at beginning of the year	1,900,000	1,900,000
Taken during the period	-	-
Repaid during the year	-	-
Balance as at end of the year	1,900,000	1,900,000
Closing balance		
-Debit	-	-
Credit (excluding loan payable)	37,631	-

Related party relationships are as identified by the company and relied upon by the auditor

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
19	**SEGMENT INFORMATION**		
	The Company's main object is to engage in the business of providing consultancy services in credit market space, content knowledge and risk management. The Company has considered business segment as Primary segment. Thus there is only one identified reportable segment.		
20	**CONTINGENT LIABILITIES AND CAPITAL AND OTHER COMMITMENTS**		
	a) Estimated amount of contract to be executed in Capital Account and not provided for (Net of Advances)	-	-
	b) Contingent liabilities is not provided for	-	-
		-	-
	The company has filed a case against the ex-employee in terms of the MOU entered between FTIL and ex-employee on December 2007 and the same is pending before the court appointed arbitrator for next hearing/award into the matter. The company and the ex-employee have put forwards their respective claim and counter claims before the arbitrator. As per the management's opinion,no liability is envisaged by the company to the ex-employee and hence no provision for contingent amount, if any, has been made in the books of account.		
21	**DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006**		
	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
		-	-
	Disclosures as required under Revised Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.		

22 GRATUITY AND OTHER POST-EMPLOYMENT BENEFIT PLANS
There were no qualified employees at the end of the year, hence no funding were made during the year and also no actuarial valuation is carried out as per Accounting Standard - 15 "Accounting for retirement benefits in the financial statements of employees".

23. The Company has accumulated losses as at 31st March 2014. The Company has plans to achieve higher growth which would improve the revenue, resulting into consequential increase in profitability and net worth. Accordingly, the accounts have been prepared on going concern basis which is dependent upon future growth of business and profitability.

24 The Company is in process for appointment of Company Secretary as required by section 383 A of the Companies Act, 1956

25 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co.
Chartered Accountants
FRN - 118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 27.05.2014

For and on behalf of the Board.

Dewang Neralla
Director

Hariraj Chouhan
Director

Place : Mumbai
Date : 27.05.2014

DIRECTORS' REPORT

The Members,

Your Directors present the Fourth Annual Report of your Company along with the Audited Statement of the accounts for the Financial Year ended March 31, 2014.

This is to bring to your notice that Ministry of Corporate Affairs has issued a General Circular 08/2014 dated April 04, 2014 clarifying inter-alia that the Boards' Report shall be as per the provisions of Companies Act 1956 for the companies whose Financial Year ends on or before April 01, 2014. In view of the said circular, this report is prepared in conformity to the said circular. However, wherever necessary provisions of Companies Act 2013 have also been complied with.

1. FINANCIAL RESULTS AND OPERATIONS:

(in INR)

PARTICULARS	FY 2013-14	FY 2012-13
Total Income	-	-
Total Expenditure	79,300	2,85,608
Loss before Tax	(79,300)	(2,85,608)
Loss after Tax	(79,300)	(2,85,608)
Balance carried to Balance Sheet	(5,36,505)	(4,57,205)

2. DIVIDEND:

Since the Company has incurred loss during the year under review, your Directors do not recommend any dividend.

3. TRANSFER TO RESERVES:

No amount has been transferred to the Statutory Reserves during the year under review.

4. SHARE CAPITAL:

There is no change in the Issued, Subscribed and Paid-up Share Capital of your Company for the financial year under review. Your Company continues to remain a subsidiary of Financial Technologies (India) Limited.

5. LOAN:

As on 31st March 2014, your Company has an unsecured loan of ₹ 30,00,50,000 /-.

6. FIXED DEPOSITS:

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

7. DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Paras Ajmera – Director, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends the appointment of Mr. Paras Ajmera in the ensuing Annual General Meeting.

Mr. Shreekant Javalgekar ceased to be the Directors of the Company. Your Directors place on record their appreciation for the valuable advice and guidance provided by Mr. Shreekant Javalgekar during his association with the Company.

The other Directors continue to be on the Board of your Company.

8. AUDITORS:

The Statutory Auditors of your Company, M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai (Regn. No. 118424W), retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received a letter from M/s. Chaturvedi Sohan & Co., to the effect that their re-appointment, if made, would be within the limits and eligibility criteria prescribed under Section 139 and 141 read with the Companies (Audit and Auditors) Rules 2014of the Companies Act, 2013.

M/s Chaturvedi Sohan & Co. conveyed their willingness to be appointed as the Statutory Auditors of the Company, subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors have appointed M/s Chaturvedi Sohan & Co. as Statutory Auditors of the Company for a period of 5 years.

Your Board recommends the appointment of M/s. Chaturvedi Sohan & Co., Chartered Accountants, Mumbai, as the statutory auditors of your Company at the ensuing Annual General Meeting.

DIRECTORS' REPORT

9. AUDITORS REPORT:

The Auditors report of your Company for the year ended 31st March, 2014 does not contain any qualifications.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

Your Company is committed for adoption of various energy savings methods for Conservation of energy. Your Company endeavors to adopt modern technology to carry on its operations. The Company also endeavors to carry out In-House R & D activities.

During the year under review there was no Foreign Exchange earnings and outgo. Company has not exported any product during the year under review and does not foresee any future export activity, in case the opportunity arises the Board shall take the necessary steps in this regard.

11. PARTICULARS OF EMPLOYEES:

Your Company does not have any employees in the category specifies under Section 217 (2A) of the Companies Act, 1956 and as such the particulars of employees as contemplated under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not attached to this report.

12. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:

a. that in the preparation of Annual Accounts for the year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2013-14 and of the loss of the Company for that period;

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

d. that the Annual Accounts of the Company have been prepared on a going concern basis.

13. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation and acknowledge with gratitude, the support and co-operation extended by the Government Authorities, clients, vendors, bankers and the employees and look forward to their continued support.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 07.08.2014

Dewang Neralla Director

Paras Ajmera Director

INDEPENDENT AUDITOR'S REORT

To the Members of **FT Projects Limited**

We have audited the accompanying financial statements of FT Projects Limited, which comprise the Balance sheet as at March 31, 2014, and the statement of Profit and Loss and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statement:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our Audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opening Balances

Opening balances are taken from last year Financial Statements Audited by previous Auditor.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the balance sheet, of the state of affairs of the company as at 31st march 2014

(b) In the case of the statement of profit and loss account, of the loss for the year ended on that date and

(c) in the case of the cash flow statement of the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirements

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

As required by section 227(3) of the act, we report that:

(a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books;

(c) The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;

(d) In our opinion, the balance sheet and statement of profit and loss and cash flow statement comply with the Accounting standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of The Companies Act, 2013;

(e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 27-05-2014

ANNEXURE TO THE AUDITOR'S REPORT

FT Projects Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

i) The Company does not have any fixed assets hence paragraph 4(i) (a), (b) and (c) of the order is not applicable to the company.

ii) The company is not having inventories accordingly clause (ii) of the order is not applicable.

iii) In respect of loans, secured or unsecured granted or taken by the Company to /from companies firm or other parties covered in the register, maintained u/s. 301 of the Companies Act 1956 :

(a) According to the information and explanation given to us, the Company has not given any loan to parties covered in the register maintained u/s 301 of the company Act 1956 hence clause (iii) (b) to clause (iii) (d) of paragraph 4 of the order are not applicable.

(e) The Company has taken unsecured loan by way of 0% optionally Convertible Debentures and other loan from the parties covered in the register maintained u/s 301 of the company Act 1956. The Maximum amount outstanding at any time during the year and yearend balance is Rs. 30,00,00,000 of 0% optionally Convertible Debentures and Rs. 50,000 of other unsecured loan.

(f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions the rate of interest and other terms and conditions of the Loan taken are not prima facie prejudicial to the interest of the company.

(g) In our opinion and according to the information and explanation given to us, the payment of principal and interest is regular as per terms and conditions.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business.

v) In respect of transactions entered in the register maintained in pursuance of section 301 of the companies Act, 1956 :

(a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.

(b) In our Opinion and according to the information and explanation given to us, if the transactions are made in pursuance of contract/arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lac in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public. Therefore, the provisions of section 58A and 58AA of the companies act, 1956, and rules framed there under and the directives issued by the Reserve Bank of India are not applicable.

vii) The Company does not have Paid up capital of Rs. 50 Lac or average turnover exceeding RS. 5 crore for a period of 3 consecutive financial year immediately preceding the relevant financial year hence paragraph 4(x) of the order is not applicable to the Company.

viii) We have been informed that the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956.

ix) According to the information and explanations given to us in respect of statutory and other dues;

a) Undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Cess and other material statutory dues as applicable have generally been regularly deposited by the company during the year with the appropriate authorities.

b) According to the information & explanation given to us no undisputed amounts payable in respect of such statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.

c) According to the information & explanation given to us, there are no dues of income tax, wealth tax, Custom duty, and cess, which have not been deposited on account of any dispute.

x) The Company is registered for a period less than five years; hence paragraph 4(x) of the order is not applicable to the company.

xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

xii) In our opinion and according to the information and explanations given to us, the company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) The provisions of any special statute as specified under Clause (xiii) of the Order are not applicable to the company.

xiv) In our opinion and according to the information and explanation given to us the Company is not dealing or trading in shares, securities, debentures or other Investment, hence paragraph 4(xiv) of the order is not applicable to the company.

xv) According to the information and explanation given to us, the Company has not given guarantee for loans taken by others from banks and financial institutions.

xvi) The Company has not taken term loan during the year, accordingly clause (xvi) of the order is not applicable.

xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion, there are no funds raised on a short term basis which have been used for long term investments.

ANNEXURE TO THE AUDITOR'S REPORT

Atom Technologies Limited (Referred to in paragraph "Report on other legal and Regulatory Requirements")

xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix) As per the information and explanation given to us, the Company has outstanding 30 unsecured 0% optionally convertible of Rs. 1,00,00,000 each. Accordingly, the Company has unsecured debentures outstanding during the year on which no security or charge is required to be created.

xx) The Company has not raised any money by public issue during the year hence clause (xx) of the order is not applicable to the Company.

xxi) According to the information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For Chaturvedi Sohan & Co.,
Chartered Accountants
FRN: 118424W

Chaturvedi V N
Partner
Membership No.106403

Place: Mumbai
Date: 27-05-2014

BALANCE SHEET as at 31st March, 2014

(in ₹)

PARTICULARS	Note No.	31st March 2014	31st March 2013
EQUITIES AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	500,000	500,000
(b) Reserve and surplus	3	(536,505)	(457,205)
		(36,505)	**42,795**
2 Non current liabilities			
Long-term borrowings	4	300,000,000	250,000,000
		300,000,000	**250,000,000**
3 Current liabilities			
(a) Short term borrowings	5	50,000	-
(b) Trade payables	6	16,854	15,168
(c) Other current liabilities	7	11,180	28,315
		78,034	43,483
		300,041,529	**250,086,278**
ASSETS			
1 Non current Assets			
Long term loans and advances	8	300,000,000	250,000,000
		300,000,000	**250,000,000**
2 Current assets			
Cash and bank balances	9	41,529	86,278
		41,529	**86,278**
		300,041,529	**250,086,278**
Summary of significant accounting policies	1		

The accompanying notes 11 to 16 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 27-05-2014

For and on behalf of the Board

Dewang Neralla
Director

Manjay P. Shah
Director

Place : Mumbai
Date : 27-05-2014

STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2014

(in ₹)

PARTICULARS	Note no.	31st March 2014	31st March 2013
Continuing operation			
(I) Revenue		-	-
Total revenue (I)		-	-
(II) Expenses			
Other expenses	10	79,300	285,608
Total expenses (II)		**79,300**	**285,608**
(III) Earning before interest, tax, depreciation and amortization (EBITDA) (I-II)		(79,300)	(285,608)
(IV) Loss before tax		**(79,300)**	**(285,608)**
Tax expense		-	-
(V) Total tax expensed from continuing operation		-	-
(VI) Loss for the year		**(79,300)**	**(285,608)**
(VII) Earnings per share	11		
Basic		(1.59)	(5.71)
Diluted		(1.59)	(5.71)
Face value per share		10/-	10/-
Summary of significant accounting policies	1		

The accompanying notes 11 to 16 are integral part of the financial statements

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 27-05-2014

For and on behalf of the Board

Dewang Neralla
Director

Manjay P. Shah
Director

Place : Mumbai
Date : 27-05-2014

CASH FLOW STATEMENT for the year ended 31st March, 2014

(in ₹)

PARTICULARS	31st March 2014		31st March 2013	
A. Cash flow from operating activities				
Net loss before tax		(79,300)		(285,608)
Adjustments		-		-
Operating loss before working capital changes		(79,300)		(285,608)
Changes in working capital:				
Adjustments for (decrease)/increase in operating liabilities:				
Long-term loans and advances	(50,000,000)		(250,000,000)	
Short term borrowings	50,000		-	
other current liabilities	(17,135)		26,660	
Trade payables	1,686		278	
		(49,965,449)		(249,973,062)
Cash used in operations		(50,044,749)		(250,258,670)
Less : Taxes paid		-		-
Net cash flow used in operating activities		(50,044,749)		(250,258,670)
B. Net cash flows from investing activities		-		-
C. Cash flow from financing activities				
Issue of Issue of 0% Optionally Convertible Debentures (OCD)		50,000,000		250,000,000
Net cash flows from financing activities		**50,000,000**		**250,000,000**
Net cash flow during the year		**(44,749)**		**(258,670)**
Net (decrease)/increase in cash and cash equivalents		**(44,749)**		**(258,670)**
Cash and cash equivalents (opening balance)		**86,278**		**344,948**
Cash and cash equivalents (closing balance)		**41,529**		**86,278**

Notes to cash flow statement:

1. Cash and cash equivalents include cash and bank balances in current accounts.
   Reconciliation of cash and bank balance (Refer note 8) with cash and cash equivalents is as follows:

(in ₹)

	For the year ended on 31st March, 2014	For the year ended on 31st March, 2013
Bank balances :		
- in Current account	41,529	86,278
Cash and bank balance	**41,529**	**86,278**

2. Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS 3) "Cash Flow Statement" issued by The Institute of Chartered Accountants of India.

3. Previous years figures have been regrouped, rearranged and reclassified wherever necessary to correspond with the figures of the current year as per revised schedule VI

As per our attached report of even date

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

Chaturvedi VN
Partner
Membership No.: 106403

Place : Mumbai
Date : 27-05-2014

For and on behalf of the Board

Dewang Neralla
Director

Manjay P. Shah
Director

Place : Mumbai
Date : 27-05-2014

NOTES to financial statements for the year ended 31st March, 2014

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. All assets and liabilities are classified as current or noncurrent as per the company's normal operating cycle and other criteria as set out in the Revised Schedule VI to the Companies Act,1956.

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash at bank and in hand. Cash equivalents are short-term balances and demand deposits with an original maturity of three months or less from the date of acquisition.

1.4 Taxes on income

Income taxes are accounted for in accordance with Accounting Standard (AS-22) "Accounting for Taxes on Income". Tax expense comprises current tax, deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax laws. The company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of profit and loss using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.5 Provisions and contingencies

The company recognizes a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimates can be made.

Contingent Liabilities are disclosed by way of notes to Financial Statements after careful evaluation by the management of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.

(in ₹)

	31st March 2014		31st March 2013	
2 SHARE CAPITAL	**Nos.**	**₹**	**Nos.**	**₹**
Authorised:				
450,000 (Previous year 450,000 Equity shares of ₹ 10/- each) Equity shares of ₹ 10/- each	450,000	4,500,000	450,000	4,500,000
50,000 (Previous year 50,000 Preference shares of ₹ 10/- each) Preference shares of ₹ 10/- each	50,000	500,000	50,000	500,000
	500,000	**5,000,000**	**500,000**	**5,000,000**
Issued, subscribed & paid up:				
50,000 (Previous year 50,000 Equity shares of ₹ 10/- each) Equity shares of ₹ 10/- each fully Paid up	50,000	500,000	50,000	500,000
	50,000	**500,000**	**50,000**	**500,000**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

At the beginning of the year	50,000	500,000	50,000	500,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	**50,000**	**500,000**	**50,000**	**500,000**

The company has only one class of equity shares having par value of Rs 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholdings.

NOTES to financial statements for the year ended 31st March, 2014

b) Shares held by holding company

(in ₹)

	31st March 2014		31st March 2013	
	Nos.	₹	Nos.	₹
Financial Technologies (India) Ltd.	50,000	500,000	50,000	500,000

c) Details of the shareholders holding more than 5% of the shares in the company

Financial Technologies (India) Ltd.	50,000	100	50,000	100

*Includes Six Equity shares of the company which is held by other six member of the company. Financial Technologies (India) Ltd. has all the beneficial interest related to these six equity shares.

(in ₹)

		31st March 2014	31st March 2013
3	**RESERVES AND SURPLUS**		
	Surplus / (deficit) in the statement of profit and loss		
	Balance as per last financial statements	(457,205)	(171,597)
	Add : Loss for the year	(79,300)	(285,608)
	Net deficit in the statement of profit and loss	**(536,505)**	**(457,205)**
4	**LONG-TERM BORROWINGS**		
	30 (Previous year 25) 0% Optionally Convertible Debentures (OCD)	300,000,000	250,000,000
	Terms of issue and redemption are as under: 30 (Previous year 25) unsecured 0% optionally convertible debentures (OCD) of face value of Rs. 10,000,000 convertible into equity shares at the option of the investor with in a period not exceeding 48 months. The Conversion shall be at a premium of 10% on the face value,if opted by the investor.		
		300,000,000	**250,000,000**
5	**SHORT -TERM BORROWINGS**		
	Unsecured Loan -(Interest free Loan Repayable on demand)	50,000	-
		50,000	**-**
6	**TRADE PAYABLES**		
	Trade Payables	16,854	15,168
	(refer note 14 for details of dues to micro and small enterprises)		
		16,854	**15,168**
7	**OTHER CURRENT LIABILITIES**		
	Statutory Payables		
	TDS Payables	5,000	28,315
	Service Tax Payables	6,180	-
		11,180	**28,315**
8	**LONG TERM LOANS AND ADVANCES**		
	Advances recoverable in cash or kind		
	Unsecured, considered good	300,000,000	250,000,000
		300,000,000	**250,000,000**
9	**CASH AND BANK BALANCES**		
	Cash and cash equivalents		
	Bank balances:		
	With scheduled banks:		
	- in current account	41,529	86,278
		41,529	**86,278**

NOTES to financial statements for the year ended 31st March, 2014

(in ₹)

		31st March 2014	31st March 2013
10	**OTHER EXPENSES**	**31st March 2014**	**31st March 2013**
	Professional fees	56,180	266,396
	ROC fees expenses	6,135	1,530
	Payment to auditor (refer details below)	16,854	17,570
	Legal Expenses	100	-
	Bank Charges	31	112
		79,300	**285,608**
	Details of payment to auditor		
	As auditor :		
	Audit fee	16,854	11,442
	In other capacity		
	Taxation matters	-	5,618
	Other services	-	510
		16,854	**17,570**
11	**EARNINGS PER SHARE (EPS)**		
	The following reflects the profit and share data used in the basic and diluted EPS computations:		
	Total operations for the year		
	Net profit / (loss) after tax for calculation of basic EPS	(79,300)	(285,608)
	Weighted average number of equity shares basic and diluted (Nos.)	50,000	50,000
	Basic and diluted earnings per share	(1.59)	(5.71)
	Nominal value of equity share	10/-	10/-

12 SEGMENT INFORMATION

The company's main objective is to engage in the business of infrastructure and other real estate projects. The company has considered business segment as primary segment. Thus there is only one identified reportable segment.

NOTES to financial statements for the year ended 31st March, 2014

13 RELATED PARTY DISCLOSERS

(A) Names of related parties and related party relationship :

(i) Company whose control exists (holding company) : Financial Technologies (India) Limited (since incorporation)

(ii) Fellow Subsidiaries (with whom transactions are carried out) : Tikcerplant Limited

(ii) Key management personnel (KMP) : Manjay P. Shah (Director)
There are no transactions carried out during the year ended 31st March, 2014 and during the year ended 31st March, 2013, hence the details are not provided.

(B) Related parties transactions :

(in ₹)

NATURE OF TRANSACTIONS	Holding companies		Fellow subsidiaries	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
Loan taken and repayment thereof				
Opening Balances	-	-	-	-
Taken during the period	-	250,000,000	50,000	-
Converted into Debentures	-	250,000,000	-	-
Balance as at March 31, 2014	-	-	50,000	-
Allotment of Debentures				
0% Optionally Convertible Debentures (OCD)	50,000,000	250,000,000		
Outstanding Debentures	300,000,000	250,000,000		
Closing balance				
-Debit	-	-	-	-
-Credit	-	-	-	-

Related party relationships are as identified by the Company and relied upon by the auditor

(in ₹)

14 DETAILS OF DUE TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006	31st March 2014	31st March 2013
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	-

Disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year-end together with interest unpaid/payable etc. have been considered and disclosed on the basis of and to the extent replies to the Company's communication received from vendors/suppliers, etc. regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

15 During the year company has paid Rs 50,000,000 (Previous year 250,000,000) under "Option agreement" to buy certain piece of property. According to the agreement, company has right to buy property within 48 months from effective date of agreement i.e. 7th July, 2012.

16 Figures for the previous year have been regrouped/ reclassified, wherever necessary.

For Chaturvedi Sohan & Co
Chartered Accountants
FRN No.118424W

For and on behalf of the Board

Chaturvedi VN
Partner
Membership No.: 106403

Dewang Neralla
Director

Manjay P. Shah
Director

Place : Mumbai
Date : 27-05-2014

Place : Mumbai
Date : 27-05-2014

CORPORATE DATA

			Date appointed	Date resigned
Directors	:	Dhanun Ujoodha	28 March 2007	05 December 2013
		Sushil Kumar Jogoo	28 March 2007	05 December 2013
		Paras Ajmera	05 January 2009	-
		Shreekant Javalgekar	05 January 2009	03 September 2013
		Prashant Desai	15 December 2013	-
		Kevin Yasheel Jingree	05 December 2013	-
		Georges Valery Magon	05 December 2013	-
		Rajendra Madanmal Mehta	01 April 2014	-

Administrator and secretary	:	Kross Border Corporate Services Limited St Louis Business Centre Cnr Desroches & St Louis Streets Port Louis Republic of Mauritius
Registered office	:	St Louis Business Centre Cnr Desroches & St Louis Streets Port Louis Republic of Mauritius
Auditors	:	Grant Thornton Ebene Tower 52 Cybercity Ebene Republic of Mauritius
Banker	:	HSBC Bank (Mauritius) Ltd 6th Floor, HSBC Centre 18 Cybercity Ebene Republic of Mauritius

DIRECTORS' REPORT

Commentary of the directors

The directors are pleased to present their report together with the audited financial statements of Knowledge Assets Private Limited, the "Company", for the year ended 31 March 2014.

Incorporation

The Company was incorporated in the Republic of Mauritius on 28 March 2007 under the Mauritius Companies Act 2001 as a private company with liability limited by shares.

Activities and statement of compliance

The principal activity of the Company is to establish/acquire/hold investments globally in an automated electronic market place and/or a software company and/or a knowledge-based company. The Company has not yet made any investment as at 31 March 2014.

Results and dividends

The results for the year are shown on page 399.

The directors did not recommend any payment of dividend for the year under review (2013: Nil).

Directors

The present membership of the Board is set out on page 396.

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Grant Thornton, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

Certificate from the Secretary to the member of Knowledge Assets Private Limited

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **Knowledge Assets Private Limited** under the Mauritius Companies Act 2001, in terms of Section 166(d), during the financial year ended 31 March 2014.

Kross Border Corporate Services Limited

Secretary

Registered office:

St Louis Business Centre

Cnr Desroches & St Louis Streets

Port Louis

Republic of Mauritius

Date: 29 May, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of **Knowledge Assets Private Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Knowledge Assets Private Limited, the "Company", which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 399 to 405 give a true and fair view of the financial position of the Company as at 31 March 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other matters

This report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton

Chartered Accountants

Y NUBEE, FCCA

Licensed by FRC

Date: 29 May, 2014

Ebene, Republic of Mauritius

STATEMENT OF FINANCIAL POSITION as at 31 March, 2014

(in US$)

	Notes	2014	2013
ASSETS			
Current			
Prepayments		4,891	438
Cash and cash equivalents		10,157	4,512
Current assets		**15,048**	4,950
Total assets		**15,048**	4,950
Equity and liabilities			
Equity			
Stated capital	7	10,002	10,002
Accumulated losses		(59,629)	(49,600)
Total equity		**(49,627)**	(39,598)
Current liabilities			
Payables	8	64,675	44,548
Total liabilities		**64,675**	44,548
Total equity and liabilities		**15,048**	4,950

Approved by the Board of Directors on 29 May, 2014 and signed on its behalf:

Kevin Yasheel Jingree
Director

Prashant Desai
Director

The notes 1 to 11 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March, 2014

(in US$)

	Notes	2014	2013
INCOME		-	-
EXPENDITURE			
Professional fees		7,191	4,266
Audit fees		2,300	2,300
Licence fees		438	1,125
Bank charges		100	50
		10,029	7,741
Loss before tax		**(10,029)**	(7,741)
Tax expense	9	**-**	**-**
Loss for the year		**(10,029)**	(7,741)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		**-**	-
Items that will be reclassified subsequently to profit or loss		**-**	-
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**(10,029)**	(7,741)

The notes 1 to 11 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March, 2014

(in US$)

	Stated capital	Accumulated losses	Total
At 01 April 2013	**10,002**	**(49,600)**	**(39,598)**
Transactions with the shareholder	-	-	-
Loss for the year	-	(10,029)	(10,029)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(10,029)	(10,029)
At 31 March 2014	**10,002**	**(59,629)**	**(49,627)**
At 01 April 2012	**10,002**	**(41,859)**	**(31,857)**
Transactions with the shareholder	-	-	-
Loss for the year	-	(7,741)	(7,741)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(7,741)	(7,741)
At 31 March 2013	**10,002**	**(49,600)**	**(39,598)**

STATEMENT OF CASH FLOWS for the year ended 31 March, 2014

(in US$)

	2014	2013
Operating activities		
Loss before tax	(10,029)	(7,741)
Adjustment for:		
Changes in prepayments	(4,453)	1,568
Changes in payables	20,127	10,248
Net cash flow generated from operating activities	**15,674**	11,816
Net change in cash and cash equivalents	**5,645**	4,075
Cash and cash equivalents, at beginning of the year	4,512	437
Cash and cash equivalents, at end of the year	**10,157**	4,512
Cash and cash equivalents made up of:		
Cash at bank	**10,157**	4,512

NOTES to the financial statements For the year ended 31 March 2014

1. General information and statement of compliance with IFRS

Knowledge Assets Private Limited, the "Company", was incorporated in the Republic of Mauritius on 28 March 2007 under the Mauritius Companies Act 2001 as a private company with liability limited by shares. The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company's registered office is St Louis Business Centre, Cnr Desroches & St Louis Streets, Port Louis, Republic of Mauritius.

The principal activity of the Company is to establish/acquire/hold investments globally in an automated electronic market place and/or a software company and/or a knowledge-based company. The Company has not yet made any investment as at 31 March 2014.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

2. Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of the assumption depends on the continued financial support of the holding company. The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

3. Application of new and revised IFRS

3.1 New and revised standards that are effective for annual periods on or after 01 January 2013

The following new and amended standards and interpretations are applicable for the current financial year:

IAS 19 Employee Benefits (Revised 2011)

IAS 27 Separate Financial Statements (Revised 2011)

IAS 28 Investments in Associates and Joint Ventures (Revised 2011)

IFRS 1 Government Loans (Amendments to IFRS 1)

IFRS 7 Disclosures- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interests in Other Entities

IFRS 10, 11
& 12 Transition Guidance (Amendments to IFRS 10, 11 and 12)

IFRS 13 Fair Value Measurement

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards, amendments and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)

IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

IFRS 10, 12
& IAS 27 Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

IFRS 9 Financial Instruments

IFRIC 21 Levies

Management has yet to assess the impact of the above standards, amendments and interpretations on the Company's financial statements.

4. Summary of accounting policies

4.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.2 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, where appropriate.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.3 Equity and reserves

Stated capital is determined using the nominal values of shares that have been issued.

Accumulated losses include all current and prior years results.

4.4 Foreign currency

Functional and presentation currency

The financial statements are presented in currency United States Dollar ("USD"), which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in statement of comprehensive income.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined

4.5 Revenue recognition

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on an accrual basis unless collectibility is in doubt.

4.6 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

4.7 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

NOTES to the financial statements For the year ended 31 March 2014

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss.

4.8 Expense recognition

All expenses are accounted for on the accrual basis.

4.9 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4.11 Comparatives

Where necessary, comparative figures have been adjusted to confirm to changes in presentation on the current year.

4.12 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the profitability of the Company's future taxable income against which the deferred tax assets can be utilised.

Estimation uncertainty

At 31 March 2014, there were no estimates and assumptions that would have a significant effect on the recognition and measurement of assets, liabilities, income and expenses.

5. FINANCIAL INSTRUMENT RISK

Risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company's risk is managed at the level of the holding company and focuses on securing the Company's short to medium term cash flows by minimising the exposure to financial risks. At 31 March 2014, the Company was not exposed to any financial risks as it was not operative.

6. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its member.

In order to properly manage the capital structure, the Company may adjust the amount of dividends paid or issue new shares.

The Company will monitor its capital on the basis of the gearing ratio. The Company was not geared at 31 March 2014.

Fair value estimation

The carrying values of cash at bank and payables approximate their fair values.

7. STATED CAPITAL

(in US$)

	2014	2013
10,002 ordinary shares of USD 1 each	**10,002**	10,002

8. PAYABLES

(in US$)

	2014	2013
Due to a related party	62,500	41,500
Accruals	2,175	3,048
	64,675	44,548

The amount due to the related party is interest free, unsecured and repayable within one year.

9. TAXATION

(i) Income tax

The Company, under the current laws and regulations, is liable to pay income tax on its net income at a rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of the Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%. No capital gains tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its member will be exempt in the Republic of Mauritius from any withholding tax.

At 31 March 2014, the Company had no income tax liability due to tax losses of USD 53,313 (2013: USD 40,143) carried forward.

(ii) Income tax reconciliation

A reconciliation between the actual income tax charge and the theoretical amount that would arise using the applicable income tax rate is as follows:

(in US$)

	2014	2013
Loss before tax	**(10,029)**	(7,741)
Tax at 3%	(301)	(232)
Deferred tax asset not recognised	301	232
Tax expense	**-**	-

(iii) Deferred taxation

No deferred tax asset has been recognised in respect of the tax losses carried forward as no taxable income is probable in foreseeable future.

NOTES to the financial statements For the year ended 31 March 2014

10. Related party transactions

During the year ended 31 March 2014, the Company had transactions with its related parties. The nature, volume of transactions and balances with the related parties are as follows:

(in US$)

Nature of relationship	Nature of transactions	Volume of transactions	Credit balance at 31 March 2014	Credit balance at 31 March 2013
Company under common Shareholding (Note 8)	Financing	21,000	62,500	41,500

Two directors of the Company, Messrs Kevin Yasheel Jingree and Georges Valery Magon, are also directors of Kross Border Corporate Services Limited, (the "Administrator"), and hence deemed to have beneficial interests in the Service Agreement between the Company and the Administrator.

11. HOLDING COMPANY

The directors consider Financial Technologies (India) Limited, a listed company incorporated in the Republic of India, as the Company's holding company.

DIRECTOR'S REPORT

The director has pleasure in submitting his report on the annual financial statements of ICX Platform (Proprietary) Limited for the year ended 31 March 2014.

1. Nature of business

ICX Platform (Proprietary) Limited was incorporated in South Africa with interests in the Services industry. The company operates in South Africa.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Director

The director in office at the date of this report are as follows:

Director	**Changes**
TPDC Miranda	Resigned 31 May 2013
Christopher Goromonzi	
CTK Chakrabarty	Appointed 15 July 2013, resigned 13 September 2013

5. Director's interests in contracts

During the financial year, no contracts were entered into which director or officers of the company had an interest and which significantly affected the business of the company.

6. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

7. Events after the reporting period

The director is not aware of any material event which occurred after the reporting date and up to the date of this report.

8. Auditors

Colin Smith & Co continued in office as auditors for the company for 2014.

9. Secretary

The company secretary is Wide Range Consultants (Proprietary) Limited.

Postal address:	P O Box 130674 Bryanston 2021
Business address:	Ground Floor Gleneagles, Fairway Office Park 52 Grosvenor Road Bryanston 2021

DIRECTOR'S RESPONSIBILITIES AND APPROVAL

The director is required by the Companies Act 71 of 2008, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The director has reviewed the company's cash flow forecast for the year to 31 March 2015 and, in the light of this review and the current financial position, he is satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 408.

The annual financial statements set out on pages 409 to 414, which have been prepared on the going concern basis, were approved by the board on 24 July 2014 and were signed on its behalf by:

Christopher Goromonzi

INDEPENDENT AUDITORS' REPORT

To the shareholders of ICX Platform (Proprietary) Limited

We were engaged to audit the annual financial statements of ICX Platform (Proprietary) Limited as set out on pages 409 to 414, which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, the notes, comprising a summary of significant accounting policies and other explanatory information.

Director's Responsibility for the Annual Financial Statements

The company's director is responsible for the preparation and fair presentation of these annual financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and requirements of the Companies Act 71 of 2008, and for such internal control as the director determines is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on conducting our audit in accordance with International Standards on Auditing. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

We were unable to audit the financial statements as a whole due to limitations placed by the client. The director was not able to provide us with all the representations and supporting documentation that we required. In consequence we were unable to carry out the auditing procedures necessary to obtain adequate assurance to ensure that we were of the opinion that the financial statements were fairly stated.

We could not determine the effect of the lack of such documents on the financial position of the ICX Platform (Proprietary) Limited at 31 March 2014, or the financial performance and cash flows for the year then ended.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the annual financial statements.

Colin Smith & Co
Partner
Registered Auditors

24 July 2014
Sandton

STATEMENT OF FINANCIAL POSITION as at 31 March 2014

Figures in Rand	Notes	2014	2013
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	1	1
Other financial assets	3	701,721	716,721
		701,722	**716,722**
Current Assets			
Trade and other receivables	4	29,991	905,126
Cash and cash equivalents	5	191,244	5,120
		221,235	910,246
Total Assets		**922,957**	**1,626,968**
Equity and Liabilities			
Equity			
Share capital	6	100	100
Accumulated loss		(3,000,736)	(2,219,537)
		(3,000,636)	**(2,219,437)**
Liabilities			
Non-Current Liabilities			
Other financial liabilities	7	3,690,119	2,322,143
Current Liabilities			
Trade and other payables	8	233,474	1,524,262
Total Liabilities		**3,923,593**	**3,846,405**
Total Equity and Liabilities		**922,957**	**1,626,968**

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Notes	2,014	2,013
Revenue	9	335,311	1,411,491
Other income		-	1,469,026
Operating expenses		(664,611)	(1,291,043)
Operating (loss) profit		**(329,300)**	**1,589,474**
Investment revenue		1,846	294
Finance costs		(453,745)	(61,593)
(Loss) profit for the year		**(781,199)**	**1,528,175**
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		**(781,199)**	**1,528,175**

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Share capital	Accumulated loss	Total equity
Balance at 01 April 2012	**100**	**(3,747,712)**	**(3,747,612)**
Profit for the year	-	1,528,175	1,528,175
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**1,528,175**	**1,528,175**
Balance at 01 April 2013	**100**	**(2,219,537)**	**(2,219,437)**
Loss for the year	-	(781,199)	(781,199)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(781,199)**	**(781,199)**
Balance at 31 March 2014	**100**	**(3,000,736)**	**(3,000,636)**
Note	6		

STATEMENT OF CASH FLOWS

Figures in Rand	Notes	2014	2013
Cash flows from operating activities			
Cash (used in) generated from operations	**11**	(744,953)	1,435,889
Interest income		1,846	294
Finance costs		(453,745)	(61,593)
Net cash from operating activities		**(1,196,852)**	**1,374,590**
Cash flows from investing activities			
Sale of financial assets		15,000	(15,000)
Net cash from investing activities		**15,000**	**(15,000)**
Cash flows from financing activities			
Repayment of other financial liabilities		1,367,976	(1,407,433)
Net cash from financing activities		**1,367,976**	**(1,407,433)**
Total cash movement for the year		**186,124**	**(47,843)**
Cash at the beginning of the year		5,120	52,963
Total cash at end of the year	**5**	**191,244**	**5,120**

ACCOUNTING POLICIES

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes;

  and

- are expected to be used during more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Cost includes all costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Item	**Average useful life**
Furniture and fixtures	3 years
Office equipment	3 years
IT equipment	3 years

The residual value, depreciation method and useful life of each asset are reviewed at each annual reporting period if there are indicators present that there has been a significant change from the previous estimate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the period.

1.2 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income (i.e. continuing operations, discontinued operations, or other comprehensive income) or equity as the transaction or other event that resulted in the tax expense.

1.3 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

2. PROPERTY, PLANT AND EQUIPMENT

Figures in Rand	2014			2013		
	Cost / Valuation	Accumulated depreciation and impairments	Carrying value	Cost / Valuation	Accumulated depreciation and impairments	Carrying value
Furniture and fixtures	7,567	(7,567)	-	7,567	(7,567)	-
Office equipment	30,582	(30,582)	-	30,582	(30,582)	-
IT equipment	219,696	(219,695)	1	219,696	(219,695)	1
Total	**257,845**	**(257,844)**	**1**	**257,845**	**(257,844)**	**1**

	Opening balance	Total
Reconciliation of property, plant and equipment - 2014		
IT equipment	1	1
Reconciliation of property, plant and equipment - 2013		
IT equipment	1	1

Figures in Rand	2014	2013
3. OTHER FINANCIAL ASSETS		
Equity Instruments at cost		
Silo Certs (Proprietary) Limited	701,721	701,721
150 Shares at cost		
At amortised cost		
Bourse Africa Limited	-	15,000
Total other financial assets	**701,721**	**716,721**
Non-current assets		
Equity Instruments at cost	701,721	701,721
At amortised cost	-	15,000
	701,721	**716,721**
4. TRADE AND OTHER RECEIVABLES		
Trade receivables	-	812,166
VAT	29,991	26,278
Other receivables	-	66,682
	29,991	**905,126**

Figures in Rand	2014	2013
5. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	-	181
Bank balances	191,244	4,939
	191,244	**5,120**
6. SHARE CAPITAL		
Authorised		
1000 Ordinary shares	1,000	1,000
Issued		
100 Ordinary Shares	100	100
7. OTHER FINANCIAL LIABILITIES		
At amortised cost		
Financial Technologies (India) Limited	3,690,119	2,322,143
The loan is unsecured, bears interest at 2.8% per annum with no fixed terms of repayments.		
Non-current liabilities		
At amortised cost	3,690,119	2,322,143
8. TRADE AND OTHER PAYABLES		
Trade payables	-	24,068
Other payables	205,474	1,442,965
Accrued audit fees	28,000	-
Salary accruals	-	57,229
	233,474	**1,524,262**
9. REVENUE		
Services Rendered	335,311	1,411,491

10. TAXATION

No provision has been made for 2014 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R (4,291,165) (2013: R 3,510,147).

11. CASH (USED IN) GENERATED FROM OPERATIONS		
(Loss) profit before taxation	(781,199)	1,528,175
Adjustments for:		
Interest received - investment	(1,846)	(294)
Finance costs	453,745	61,593
Changes in working capital:		
Trade and other receivables	875,135	(776,134)
Trade and other payables	(1,290,788)	622,549
	(744,953)	**1,435,889**

12. RELATED PARTIES

Relationships

Holding company	Financial Technologies (India) Limited
Entity with common shareholding	Bourse Africa Limited
Entity in which the company is a shareholder	Silo Certs (Proprietary) Limited

Related party balances and transactions with other related parties

FIGURES IN RAND	2014	2013
Related party balances		
Loan accounts - Owing (to) by related parties		
Financial Technologies (India) Limited	(3,690,119)	(2,322,143)
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Bourse Africa Limited	-	(897,421)

DETAILED INCOME STATEMENT

FIGURES IN RAND	2014	2013
Revenue		
Services rendered	335,311	1,411,491
Other income		
Other income	-	1,469,026
Interest received	1,846	294
	1,846	**1,469,320**
Operating expenses		
Accounting fees	5,700	33,850
Advertising	-	2,885
Auditors remuneration	28,000	12,281
Bank charges	3,356	5,415
Computer expenses	44,999	85,141
Consulting and professional fees	430,239	812,906
Employee costs	146,244	272,980
Entertainment	-	589
General Expense	-	135
Immigration visa and Permit fees	-	3,431
Lease rentals on operating lease	2,200	54,800
Motor vehicle expenses	-	995
Printing and stationery	-	272
Repairs and maintenance	-	723
Travel - local	3,873	4,640
	664,611	**1,291,043**
Operating (loss) profit	**(327,454)**	**1,589,768**
Finance costs	(453,745)	(61,593)
(Loss) profit for the year	(781,199)	1,528,175

DIRECTORS' REPORT

The directors are pleased to present their report to the member together with the audited financial statements of Financial Technologies Singapore Pte. Ltd.(the "Company")for the financial year ended 31 March 2014.

1. Directors

The directors of the Company in office at the date of this report are :

Vaidyalingam Hariharan

Venkataramaiyer Sivaramakrishnan

Prashant Desai

2. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. Directors' interests in shares or debentures

No director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

4. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. Share options

During the financial year, there was :

- no option granted by the Company to any person to take up unissued shares in the Company; and
- no share issued by virtue of any exercise of option to take up unissued shares of the Company.

At the end of the financial year, there was no unissued share of the Company under option.

6. Auditor

Ernst & Young LLP have expressed that they will not be seeking reappointment as auditor for the ensuing year at the forthcoming Annual General Meeting.

On behalf of the board of directors,

Vaidyalingam Hariharan	**Prashant Desai**
Director	Director

Place: Singapore

Date: 14 July 2014

STATEMENT BY DIRECTORS

We, Vaidyalingam Hariharan and Prashant Desai, being two of the directors of Financial Technologies Singapore Pte. Ltd.,do hereby state that, in the opinion of the directors:

(i) the accompanying statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors,

	Vaidyalingam Hariharan	**Prashant Desai**
Place: Singapore	Director	Director
Date: 14 July 2014		

INDEPENDENT AUDITOR'S REPORT For the financial year ended 31 March 2014

Independent Auditor's Report to the Member of Financial Technologies Singapore Pte. Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Financial Technologies Singapore Pte. Ltd. (the "Company"), which comprise the balance sheet of the Company as at 31 March 2014, the statement of comprehensive income,the statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Place: Singapore
Date: 14 July 2014

STATEMENT OF COMPREHENSIVE INCOME For the financial year ended 31 March 2014

	Note	2014 US$	2013 US$
Income			
Interest income	3	348,619	–
Other gains	4	36,036	–
Gain on disposal of investment in subsidiaries	7	41,915,423	–
		42,300,078	**–**
Expenses			
Advertising and distribution expenses		–	(700)
Legal and professional fees		(4,039,167)	(7,578)
Other operating expenses	5	(1,740,067)	(678,099)
		(5,779,234)	**(686,377)**
Profit/(loss) before tax		36,520,844	(686,377)
Income tax	6	–	–
Net profit/(loss) after tax attributable to the owner of the Company		36,520,844	(686,377)
Other comprehensive income		-	-
Total comprehensive income attributable to the owner of the Company		**36,520,844**	**(686,377)**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

BALANCE SHEET As at 31 March 2014

	Note	2014 US$	2013 US$
ASSETS			
Non-current asset			
Investment in subsidiaries	7	–	100,038,619
Current assets			
Prepayments		1,991	4,491
Amounts due from a related company	8	70,348,619	–
Other receivables	9	24,354,042	–
Cash and cash equivalents	10	58,416,974	440,791
		153,121,626	**445,282**
LIABILITIES			
Current liabilities			
Amounts due to holding company	11	34,702,382	18,867,691
Other payables		106,187	–
Accruals and provisions		186,070	10,067
		34,994,639	**18,877,758**
Net current assets/(liabilities)		118,126,987	(18,432,476)
Net assets		**118,126,987**	**81,606,143**
EQUITY			
Share capital	12	82,343,435	82,343,435
Retained earnings/(accumulated losses)		35,783,552	(737,292)
Total equity		**118,126,987**	**81,606,143**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY For the financial year ended31 March 2014

	Share capital	(Accumulated losses)/ retained earnings	Total equity
	US$	US$	US$
	(Note 12)		
At 31 March 2012 and at 1 April 2012	82,343,435	(50,915)	82,292,520
Total comprehensive income for the year	–	(686,377)	(686,377)
At 31 March 2013 and at 1 April 2013	82,343,435	(737,292)	81,606,143
Total comprehensive income for the year	–	36,520,844	36,520,844
At 31 March 2014	**82,343,435**	**35,783,552**	**118,126,987**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Note	2014 US$	2013 US$
Cash flows from operating activities			
Profit/(loss) before tax		36,520,844	(686,377)
Adjustments for :			
Interest income	3	(348,619)	–
Interest expense	5	1,721,301	636,139
Gain on disposalof investment in subsidiaries		(41,915,423)	–
Operating cash flows before working capital changes		(4,021,897)	(50,238)
Decrease in prepayments		2,500	1,046
Increase in amounts due from a related company		(70,000,000)	–
Increase in amounts due to holding company		15,834,691	16,466,707
Increase in other payables, accruals and provisions		282,190	5,267
Net cash flows used in operating activities		**(57,902,516)**	**16,422,782**
Cash flows from investing activities			
Increase in investment in subsidiaries		(12,400,000)	(15,370,201)
Proceeds from disposal of investment in subsidiaries		130,000,000	–
Net cash flows (used in)/received from investing activities		**117,600,000**	**(15,370,201)**
Cash flows from financing activities			
Interest paid		(1,721,301)	(636,139)
Net cash flows generated from financing activities		**(1,721,301)**	**(636,139)**
Net increase in cash and cash equivalents		57,976,183	416,442
Cash and cash equivalents at beginning of year		440,791	24,349
Cash and cash equivalents at end of year	**10**	**58,416,974**	**440,791**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

NOTES to financial statements for the year ended 31st March, 2014

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1. CORPORATE INFORMATION

Financial Technologies Singapore Pte. Ltd. (the "Company")is a private limited company incorporated in Singapore whose registered office is at 60 Robinson Road, #11-02 BEA Building, Singapore 068892. Its holding company is Financial Technologies (India) Limited, a company incorporated in Mumbai, India.

The principal activities of the Company are that of an investment holding company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements of the Company have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements of the Company are presented in United States dollars ("USD" or "US$"), which is also the functional currency of the Company.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 April 2013. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective :

Description	Effective for annual periods beginning on or after
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2.4 Foreign currencies

Transactions in foreign currencies are measured in the respective functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES to financial statements for the year ended 31st March, 2014

2.5 Financial assets

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the differences between the carrying amount and the sum of the consideration received and any cumulative gains or losses that have been recognised directly in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired and through the amortisation process.

2.6 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written-off against the carrying values of the financial assets.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.8 Financial liabilities

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities of initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities not at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised and through the amortisation process. The Company has not designated any financial liabilities at fair value through profit and loss.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability and the differences in the respective carrying amounts is recognised in profit or loss.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) where as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in provisions due to the passage of time is recognised as a finance cost.

2.10 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Interest income is recognised using effective interest method.

2.11 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2.12 Related parties

A related party is defined as follows :

(a) A person or a close member of that person's family is related to the Company if that person :

  (i) Has control or joint control over the Company;

  (ii) Has significant influence over the Company; or

  (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies :

  (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

  (iii) Both entities are joint ventures of the same third party;

  (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

  (vi) The entity is controlled or jointly controlled by a person identified in (a); or

  (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES to financial statements for the year ended 31st March, 2014

2.13 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.14 Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. INTEREST INCOME

Interest income is earned from loan advances to a related company. Refer to Note 8.

4. OTHER GAINS

	2014	2013
	US$	US$
Foreign exchange gain	**36,036**	–

5. OTHER OPERATING EXPENSES

Interest expense	1,721,301	636,139
Foreign exchange loss	–	22,758
Others	18,766	19,202
	1,740,067	**678,099**

6. INCOME TAX

A reconciliation between income tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the financial years ended 31 March 2014 and 2013 was as follows :

	2014	2013
	US$	US$
Profit/(loss) before tax	36,520,844	(686,377)
Tax at the domestic rate of 17% (2013: 17%)	6,208,543	(116,684)
Adjustments :		
Income not subject to taxation	(6,208,543)	-
Effect of deferred tax assets not recognised	-	116,684
	-	-

7. INVESTMENT IN SUBSIDIARIES

Unquoted equity shares, at cost	-	100,038,619

The Company held the following subsidiaries till 3 February 2014. On 18 November 2013, the Company entered into a Share Purchase Agreement for sale of 100% equity ownership in its wholly owned subsidiaries, ICE Futures Singapore Pte.Ltd. (formerly known as Singapore Mercantile Exchange Pte.Ltd.)and ICE Clear Singapore Pte.Ltd. (formerly known as Singapore Mercantile Exchange Clearing Corporation Pte. Ltd.) to ICE Singapore Holdings Pte. Ltd, an entity held by Intercontinental Exchange Group, Inc. ("ICE") for an amount of US$154,354,042. The transaction was completed on 3 February 2014.

Name of subsidiary	Principal activity	Country of incorporation	Effective equity held by the Company	
			2014	2013
			%	%
ICE Futures Singapore Pte. Ltd. (formerly known as Singapore Mercantile Exchange Pte. Ltd.)*	Establishing, operating, regulating, maintaining and managing an electronic commodities exchange with a wholly - owned clearing house	Singapore	–	100
Held through ICE Futures Singapore Pte. Ltd. (formerly known as Singapore Mercantile Exchange Pte. Ltd.) :				
ICE Clear Singapore Pte. Ltd. (formerly known as Singapore Mercantile Exchange Clearing Corporation Pte. Ltd.)*	Establishing, operating, regulating, maintaining and managing a clearing house	Singapore	–	100

* Audited by Ernst & Young LLP, Singapore

8. Amounts due from a related company

Loan to a related company, FT Group Investment Pvt. Ltd., which is a subsidiary of the Company's holding company, is unsecured and charged at 3.7352% per annum. The loan is repayable from one year from the date of disbursement.

	2014	2013
	US$	US$
Loan	70,000,000	–
Interest receivable	348,619	–
	70,348,619	**–**

9. Other receivables

The Company has entered into a Share Purchase Agreement for disposal of its investment in subsidiaries. The Company is expected to receive US$24,354,042 as part of the sale consideration upon completion of closing conditions, out of which US$20,000,000 is held in the Escrow bank account in the name of the Purchaser.

10. Cash and cash equivalents

For the purposes of the cash flow statement, the cash and cash equivalents comprised the following:

Bank balances	**58,416,974**	440,791

Bank balances denominated in foreign currencies were as follows:

Singapore dollars	**12,858**	15,011

11. Amounts due to holding company

Loan from holding company is charged at 5.80% (2013: 5.80%) per annum and is repayable from one year from the date of receipt.
The amounts due to holding company(non-trade) wereunsecured, interest-free and repayable on demand.

	2014	2013
	US$	US$
Amounts due to holding company (non-trade)	234,485	–
Loan	33,981,910	18,618,769
Interest payable	485,987	248,922
	34,702,382	**18,867,691**

12. Share capital

	2014		2013	
	No. of shares	US$	No. of shares	US$
At 1 April and 31 March	111,600,001	82,343,435	111,600,001	82,343,435

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

NOTES to financial statements for the year ended 31st March, 2014

13. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year :

Key management personnel compensation

	2014	2013
	US$	US$
Directors' fees	18,285	24,591
Consulting Fees	79,397	-
Total	**97,682**	24,591

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has limited exposure to financial risks arising from its operations and the use of financial instruments. The financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management of the Company.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks :

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from balances with banks. The Company minimises credit risk by dealing exclusively with high credit rating and reputable financial institutions.

As at 31 March 2014, the Company has significant concentration of credit risk with 1 (2013:1) financial institutions and there is no financial asset that is either past due or impaired.

The maximum exposure to credit risk is the carrying amount of the financial assets presented on the balance sheet.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company monitors and maintains a level of cash deemed sufficient to finance its operations and mitigate the effects of fluctuations in cash flow.

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations :

2014	**On demand**	**12 months or less**	**Total**
	US$	US$	US$
Amounts due to holding company	-	35,542,889	35,542,889
Other payables	-	106,187	106,187
2013			
Amounts due to holding company	-	19,452,903	19,452,903

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their interest-bearing short-term deposits and cash at banks, which were at floating rates and contractually repriced on a monthly basis.

At the end of the reporting period, any reasonable fluctuation in the interest rates will not have a significant impact to the financial statements of the Company.

(d) Foreign currency risk

The Company has transactional currency exposures arising from operating costs that are denominated in a currency other than USD, the functional currency of the Company. The foreign currencies in which these transactions are denominated are mainly SGD. The Company's receivable and payable balances at the end of the reporting period have similar exposures.

At the end of the reporting period, any reasonable fluctuation in the SGD/USD rate will not have a significant impact to the financial statements of the Company.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of the financial assets and liabilities approximate their fair values due to the relatively short-term maturity of these financial instruments.

Amounts due from a related company, other receivables and cash and cash equivalents at the end of the reporting period are classified as loans and receivables under FRS 39. Amounts due to holding company, other payables and accruals are not at fair value through profit or loss.

16. CAPITAL MANAGEMENT

The Company maintains an actively managed capital base to cover risks inherent in the business. The primary objectives of the Company's capital management are to ensure that the Company maintains healthy capital ratios in order to support its business.

17. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the financial year ended 31 March 2014were authorised for issue in accordance with a resolution of the directors on 14 July 2014.

CORPORATE DATA

			Date appointed	Date resigned
Directors	:	Dhanun Ujoodha	28 March 2007	05 December 2013
		Sushil Kumar Jogoo	28 March 2007	05 December 2013
		Paras Ajmera	05 January 2009	-
		Shreekant Javalgekar	05 January 2009	03 September 2013
		Prashant Desai	15 December 2013	-
		Kevin Yasheel Jingree	05 December 2013	-
		Georges Valery Magon	05 December 2013	-
		Rajendra Madanmal Mehta	01 April 2014	-

Administrator and secretary : Kross Border Corporate Services Limited
St Louis Business Centre
Cnr Desroches & St Louis Streets
Port Louis
Republic of Mauritius

Registered office : St Louis Business Centre
Cnr Desroches & St Louis Streets
Port Louis
Republic of Mauritius

Auditors : Grant Thornton
Ebene Tower
52 Cybercity
Ebene
Republic of Mauritius

COMMENTARY OF THE DIRECTORS

The directors have the pleasure in submitting their report together with the audited consolidated financial statements of FT Group Investments Pvt. Ltd, the "Company", for the year ended 31 March 2014. The Company and its subsidiaries are collectively referred to as the "Group".

Principal activities

The principal activities of the Group are:

(i) to establish/acquire/hold investments globally in automated electronic market places and/or software companies and/or knowledge-based companies;

(ii) to operate spot and/or derivative Multi-Assets Class Exchanges; and

(iii) to own and operate exchange markets and clearing and settlement corporations.

Results and dividends

The results for the year are as shown on page 433.

The directors do not recommend the payment of any dividend for the year under review (2013: Nil).

Directors

The present membership of the Board is set out on page 429.

Statement of directors' responsibilities in respect of the consolidated financial statements

Company law requires the directors to prepare consolidated financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Group and the Company. In preparing those consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Auditors

The auditors, **Grant Thornton,** have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

Matters affecting the holding company (FTIL)

National Spot Exchange Limited (NSEL), a subsidiary of Financial Technologies (India) Limited (FTIL), a company incorporated in the Republic of India, has suspended its trading activities due to some business matters. The happenings at NSEL do not have and will not have any direct impact on the business operations of the Group and also does not entail any financial liability on the Group.

Certificate from the Secretary to the member of FT Group Investments Pvt. Ltd

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of FT Group Investments Pvt. Ltd under the Mauritius Companies Act 2001, during the financial year ended 31 March 2014.

for Kross Border Corporate Services Limited

Secretary

Registered office:

St Louis Business Centre

Cnr Desroches/St Louis Streets

Port Louis

Republic of Mauritius

Place: Ebene, Republic of Mauritius

Date: 09-06-2014

INDEPENDENT AUDITORS' REPORT To the member of FT Group Investments Pvt. Ltd

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of FT Group Investments Pvt. Ltd, the "Company" and its subsidiaries, together referred to as the "Group", which comprise the consolidated statement of financial position as at 31 March 2014, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements on pages 432 to 458 give a true and fair view of the financial position of the Group and the Company as at 31 March 2014, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001.

Emphasis of matter

We draw attention to Note 21 to the consolidated financial statements which describe the basis of preparing these consolidated financial statements and the fair value of investments. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company and its subsidiaries other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other Matters

This report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

Y NUBEE, FCCA
Licensed by FRC

Place: Ebene, Republic of Mauritius
Date: 09-06-2014

CONSOLIDATED STATEMENT of financial position as at 31 March

		The Group		The Company	
	Notes	2014	2013	2014	2013
		USD	USD	USD	USD
Assets					
Non-current					
Goodwill	6	28,808,955	29,350,078	-	-
Intangible assets	7	23,139,972	35,901,783	-	-
Property, plant and equipment	8	1,205,799	2,322,942	-	-
Investment in subsidiaries	9	-	-	107,551,378	142,566,177
Available-for-sale investments	10	13,375,806	13,377,805	8,389,575	8,389,575
Deferred tax assets	17	9,143,897	7,715,976	-	-
Non-current assets		**75,674,429**	88,668,584	**115,940,953**	150,955,752
Current					
Trade and other receivables	11	2,435,972	36,867,346	44,367,847	30,918,306
Cash and cash equivalents	12	10,600,284	11,988,596	2,540,014	816,195
Current assets		**13,036,256**	48,855,942	**46,907,861**	31,734,501
Non-current assets held for sale and assets of disposal group	23	**166,577**		**-**	
Total assets		**88,877,262**	137,524,526	**162,848,814**	182,690,253
Equity and liabilities					
Equity					
Stated capital	13	15,060,002	15,060,002	15,060,002	15,060,002
Accumulated losses		(145,760,829)	(69,768,917)	(68,904,133)	(16,595,759)
Translation reserves		(488,035)	(804,622)	-	-
		(131,188,862)	(55,513,537)	(53,844,131)	(1,535,757)
Non-controlling interests		(1,546)	4,869	-	-
Total equity		**(131,190,408)**	(55,508,668)	**(53,844,131)**	(1,535,757)
Liabilities					
Non-current					
Borrowings	14	144,000,000	179,000,000	144,000,000	179,000,000
Provision for employees benefits		169,835	176,477	-	-
Non-current liabilities		**144,169,835**	179,176,477	**144,000,000**	179,000,000
Current					
Borrowings	14	70,000,000	-	70,000,000	-
Payables	15	5,766,604	13,829,792	2,692,945	5,226,010
Deferred income	16	131,231	26,925	-	-
Current liabilities		**75,897,835**	13,856,717	**72,692,945**	5,226,010
Total liabilities		**220,067,670**	193,033,194	**216,692,945**	184,226,010
Total equity and liabilities		**88,877,262**	137,524,526	**162,848,814**	182,690,253

Approved by the Board on 09-06-2014 and signed on its behalf by:

Kevin Yasheel Jingree
Director

Prashant Desai
Director

The notes nos. 1 to 25 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT of comprehensive income for the year ended 31 March

		The Group		The Company	
	Notes	2014	2013	2014	2013
		USD	USD	USD	USD
Income					
Interest income		57,222	102,001	2,657,811	1,136,048
Other income		897,030	717,598	-	-
		954,252	819,599	**2,657,811**	1,136,048
Expenditure					
Salaries and other benefits		4,317,015	5,476,141	-	-
Legal and professional fees		725,097	634,702	31,593	31,801
Processing fees		2,335,623	1,649,455	2,335,623	1,649,455
Interest expense		11,176,512	8,493,339	11,174,431	8,494,617
Bank commissions and charges		20,418	27,690	5,336	2,494
Travelling expenses		104,054	197,854	-	-
Rental fees		649,990	1,102,965	-	-
Other expenses		1,002,085	2,162,531	-	-
IT expenses		4,930,740	9,788,291	-	-
Audit fees		27,973	22,932	14,600	16,000
Depreciation and amortisation	7&8	13,479,357	13,556,329	-	-
Licence fees		-	34,785	-	-
Net exchange differences		573,964	80,291	-	-
General administration costs		334,863	1,988,433	-	-
Commissions		904,803	2,530,000	904,803	2,530,000
Incorporation fees		-	8,848	-	-
Loss on disposal		170,688	23,389	-	-
Business development cost		1,249,362	488,343	-	-
Software development cost		4,603,776	59,514	-	-
Bad debts		96,156	11,526	-	-
Tax written off for prior year		-	1,777	-	1,777
Direct costs		440,542	322,050	-	-
Impairment losses	8,9&11	30,765,547	-	40,499,799	-
Impairment of goodwill	6	471,935	-	-	-
		78,380,500	48,661,185	**54,966,185**	12,726,144
Loss before tax		**(77,426,248)**	(47,841,586)	**(52,308,374)**	(11,590,096)
Tax credit	17	1,427,921	3,674,081	-	-
Loss for the year		**(75,998,327)**	(44,167,505)	**(52,308,374)**	(11,590,096)
Other comprehensive income for the year, net of tax:					
Items that will not be reclassified to profit or loss		**-**	-	**-**	-
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		**316,587**	(845,238)	**-**	-
Total comprehensive income for the year		**(75,681,740)**	(45,012,743)	**(52,308,374)**	(11,590,096)
Loss for the year attributable to:					
Owner of the parent		(75,991,912)	(44,166,656)	(52,308,374)	(11,590,096)
Non-controlling interests		(6,415)	(849)		
		(75,998,327)	(44,167,505)	**(52,308,374)**	(11,590,096)

The notes nos. 1 to 25 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT of changes in equity for the year ended 31 March

The Group	Stated capital USD	Accumulated losses USD	Translation reserves USD	Total attributable to owner of parent USD	Non-controlling interests USD	Total USD
At 01 April 2013	**15,060,002**	**(69,768,917)**	**(804,622)**	**(55,513,537)**	**4,869**	**(55,508,668)**
Transactions with the shareholder	-	-	-	-	-	-
Loss for the year	-	(75,991,912)	-	(75,991,912)	(6,415)	(75,998,327)
Other comprehensive income for the year	-	-	316,587	316,587	-	316,587
Total comprehensive income for the year	-	(75,991,912)	316,587	(75,675,325)	(6,415)	(75,681,740)
At 31 March 2014	**15,060,002**	**(145,760,829)**	**(488,035)**	**(131,188,862)**	**(1,546)**	**(131,190,408)**
At 01 April 2012	**15,060,002**	**(25,602,261)**	**40,616**	**(10,501,643)**	**5,718**	**(10,495,925)**
Transactions with the shareholder	-	-		-	-	-
Loss for the year	-	(44,166,656)	-	(44,166,656)	(849)	(44,167,505)
Other comprehensive income for the year	-	-	(845,238)	(845,238)	-	(845,238)
Total comprehensive income for the year	-	(44,166,656)	(845,238)	(45,011,894)	(849)	(45,012,743)
At 31 March 2013	**15,060,002**	**(69,768,917)**	**(804,622)**	**(55,513,537)**	**4,869**	**(55,508,668)**

The Company	Stated capital USD	Accumulated losses USD	Total USD
At 01 April 2013	**15,060,002**	**(16,595,759)**	**(1,535,757)**
Transactions with the shareholder	-	-	-
Loss for the year	-	(52,308,374)	(52,308,374)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(52,308,374)	(52,308,374)
At 31 March 2014	**15,060,002**	**(68,904,133)**	**(53,844,131)**
At 01 April 2012	**15,060,002**	**(5,005,663)**	**10,054,339**
Transactions with the shareholder	-	-	-
Loss for the year	-	(11,590,096)	(11,590,096)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(11,590,096)	(11,590,096)
At 31 March 2013	**15,060,002**	**(16,595,759)**	**(1,535,757)**

The notes nos. 1 to 25 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT of cash flows for the year ended 31 March

	The Group		The Company	
	2014 USD	2013 USD	2014 USD	2013 USD
Operating activities				
Loss before tax	(77,426,248)	(47,841,586)	(52,308,374)	(11,590,096)
Adjustments for:				
Depreciation and amortisation	13,479,357	13,556,329	-	-
Loss on disposal of property, plant and equipment	170,688	23,389	-	-
Tax liability written back	-	(28)	-	(28)
Interest income	(57,222)	(102,001)	(2,657,811)	(1,136,048)
Interest expense	11,176,512	8,493,339	11,174,431	8,494,617
Impairment losses	30,765,547	-	40,499,799	-
Movement in employees benefits	(6,642)	-	-	-
Impairment of goodwill	471,935	-	-	-
Total adjustments	**56,000,175**	21,971,028	**49,016,419**	7,358,541
Changes in working capital:				
Change in trade and other receivables	3,702,374	1,133,434	3,045,869	1,485,510
Change in payables	(7,798,666)	10,397,472	(2,250,124)	5,120,911
Change in deferred income	101,306	-	-	-
Total changes in working capital	**(3,994,986)**	11,530,906	**795,745**	6,606,421
Net cash (used in)/from operating activities	**(25,421,059)**	(14,339,652)	**(2,496,210)**	2,374,866
Investing activities				
Purchase of property, plant and equipment	(52,149)	(210,751)	-	-
Interest received	57,222	102,001	2,131,393	1,136,048
Loan advanced	(21,000)	(5,000)	(21,470,000)	(18,460,000)
Advance for purchase of software	-	(4,250,000)	-	-
Proceeds from disposal of property, plant and equipment	28,762	14,043	-	-
Net cash from/(used in) investing activities	**12,835**	(4,349,707)	**(19,338,607)**	(17,323,952)
Financing activities				
Interest paid	(11,441,364)	(6,711,547)	(11,441,364)	(8,494,617)
Repayment of borrowings	(159,000,000)	-	(159,000,000)	-
Proceeds from borrowings	194,000,000	19,000,000	194,000,000	19,000,000
Net cash flow from financing activities	**23,558,636**	12,288,453	**23,558,636**	10,505,383
Net change in cash and cash equivalents	(1,849,588)	(6,400,906)	1,723,819	(4,443,703)
Currency translation differences	461,276	(1,905,551)	-	-
Cash and cash equivalents, beginning of the year	11,988,596	20,295,053	816,195	5,259,898
Cash and cash equivalents, end of the year	**10,600,284**	11,988,596	**2,540,014**	816,195
Cash and cash equivalents made up of:				
Bank balances (Note 12)	**10,600,284**	11,988,596	**2,540,014**	816,195

The notes nos. 1 to 25 form an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

1. General information and statement of compliance with the IFRS

FT Group Investments Pvt. Ltd, the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 28 March 2007 as a private company with liability limited by shares. The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company's registered office is St Louis Business Centre, Cnr Desroches/St Louis Streets, Port Louis, Republic of Mauritius.

The Company and its subsidiaries are collectively referred to as the "Group".

The principal activities of the Group are:

- to establish/acquire/hold investments globally in an automated electronic market places and/or software companies and/or knowledge-based companies;
- to operate spot and/or derivative Multi-Asset Class Exchanges; and
- to own and operate exchange markets and clearing and settlement corporations.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Standards (IFRS) as issued by International Accounting Standards Board (IASB).

2. Application of new and revised IFRS

2.1 New and revised standards that are effective for annual periods on or after 01 January 2013

The following new and amended standards and interpretations are mandatory for the first time for the financial year beginning 01 January 2013:

IAS 19	Employee Benefits (Revised 2011)
IAS 27	Separate Financial Statements (Revised 2011)
IAS 28	Investments in Associates and Joint Ventures (Revised 2011)
IFRS 1	Government Loans (Amendments to IFRS 1)
IFRS 7	Disclosures- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 10, 11	
& 12	Transition Guidance (Amendments to IFRS 10, 11 and 12)
IFRS 13	Fair Value Measurement

2.2. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

At the date of authorisation of these consolidated financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group.

Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group's financial statements.

IAS 39	Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
IAS 36	Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
IFRS 10, 12	
& IAS 27	Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
IFRS 9	Financial Instruments
IFRIC 21	Levies

Management has yet to assess the impact of the above standards, amendments and interpretations on the Group's financial statements.

3. Summary of accounting policies

3.1 Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

3.2 Basis of consolidation

The Group financial statements consolidate those of the parent company and of its subsidiaries as of 31 March 2014. The parent controls a subsidiary it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 March.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses/gains on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of the subsidiaries' profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

3.3 Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised in profit or loss immediately.

3.4 Investment in subsidiaries

Investment in subsidiaries are shown at cost less impairment in the separate financial statements. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

3.5 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. See Note 3.3 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses, if any. Refer to Note 3.11 for a description of impairment testing procedures.

3.6 Foreign currency

Functional and presentation currency

The consolidated financial statements are presented in currency USD, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of the Group entities with a functional currency other than the USD are translated into USD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into USD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into USD at the closing rate. Income and expenses have been translated into USD at the average rate over the reporting rate.

Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

The average exchange rates for the year ended 31 March 2014 were as follows:

	USD
BHD/USD	2.6329
AED/USD	0.2722

3.7 Revenue recognition

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the accrual basis unless collectibility is in doubt.

Trading commission fees are recognised on the date of transaction in the market.

Admission fees collected from prospective members prior to joining the exchange are recognised as advances from members. Advances against membership application are only recognised as income when the application has been approved.

Invoices for annual fees are raised on a half yearly basis and is recorded on an accrual basis.

3.8 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.9 Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the year of the borrowings using the effective interest method.

Borrowing costs are expensed in the period in which they are incurred.

3.10 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Property, plant and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual values of property, plant and equipment. The following useful lives are applied:

Furniture and fittings	-	3 - 10 years
Office equipment	-	3 - 10 years
Motor vehicles	-	4 - 10 years
Improvement to leasehold building	-	3 years

No depreciation is charged on items of property, plant and equipment which are not yet in use and also on items not yet received and for which payments have already been made. In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of an asset, the difference between the carrying value of the asset and sale consideration taken to the statement of comprehensive income.

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Repairs and maintenance costs are expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

3.11 Impairment testing of goodwill and other intangible assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by mangement as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less cost of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

3.12 Intangible assets

Intangible assets represent software licences for the Trading, Matching and Clearing Mechanism of the Multi-Asset Class Exchange (the "Exchange") and are amortised over their estimated useful lives of five years.

Residual values and useful lives are reviewed at each reporting date. In addition, all intangible assets are subject to impairment testing.

Acquired computer softwares are capitalised on the basis of the costs incurred to acquire and bring to use the specific softwares.

Costs associated with maintaining computer software programmes are expensed as incurred.

3.13 Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. When an indication of an impairment loss exists, the carrying amount of the asset is assessed and is written down to its recoverable amount.

3.14 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified as available-for-sale financial assets and loans and receivables.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets that are recognised in the consolidated statement of comprehensive income are presented within finance costs, finance income or other financial items, except for impairment of receivables which is presented within administrative expenses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial assets consist of investments as disclosed in Note 10 to these consolidated financial statements.

Available-for-sale financial assets consist of investments in equity shares that are not quoted in an active market. The best estimate of fair value is the transaction price on initial recognition or the value at which a share transaction has been contracted.

Available-for-sale financial assets whose fair value cannot be measured reliably are carried at cost less impairment.

The valuation of financial assets may not necessarily represent the amounts that may eventually be realised from sales or other dispositions.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Discounting, however, is omitted where the effect of discounting is immaterial. The Group's bank balances and most receivables fall into this category of financial instruments.

An allowance for credit losses is established if there is objective evidence that the Group will be unable to collect all amounts due.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include payables and borrowings.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within finance costs or finance income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.15 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.16 Equity and reserves

Stated capital is determined using the nominal values of shares that have been issued.

Translation reserve comprises of foreign currency translation differences arising from the translation in USD of the financial statements of the Group's foreign entities.

Accumulated losses include all current and prior periods results.

All transactions with owner of the parent are recorded separately within equity.

3.17 Taxation

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period in the respective jurisdiction.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax losses or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.18 Leased assets

Operating leases

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. Any contingent rents are expensed in the period they are incurred.

3.19 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the corresponding expenses. All known risks at the reporting date are reviewed in detail and provision is made where necessary.

3.21 Employees' end of service benefits

Pensions rights (and other social benefits) for the Bahraini employees are covered by Social Insurance Organisation Scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. The Group's share of contributions to the scheme, which is a defined contribution scheme under IAS 19- Employee Benefits, is recognised as expense in the consolidated statement of comprehensive income.

Expatriate employees are entitled to leaving indemnities payable under the Bahraini Labour Law, based on length of service and final remuneration. Provision for this, which is unfunded, and which represents a defined benefit plan under IAS 19 – Employee Benefits, has been made by calculating the notional liability had all employees left at the reporting date. The provision is classified as a non-current liability in the consolidated statement of financial position.

Short-term employee benefits

The cost of short-tem employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Contributions to the National Pension Scheme and Medical Aid Scheme are expensed in the period in which they fall due.

3.22 Trade receivables

Trade receivables are amounts due from customer for services performed in the ordinary course of business and are classified as current assets if settlement is expected within one year.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

3.23 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within one year.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.24 Set up costs

Set up costs are written off in the period in which they are incurred.

3.25 Comparatives

Where necessary, the comparatives have been adjusted to conform with changes in presentation in the current year.

3.26 Significant management judgement in applying accounting policies and estimation uncertainties

When preparing the consolidated financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Group is the USD.

Recognition of deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Contingent liabilities

Management applies its judgement to facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

Estimation uncertainties

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Business combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, the directors use estimates of future cash flows and discount rates.

Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognised in profit or loss in the subsequent period.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date. At the reporting date, management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are analysed in Notes 7 and 8. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Fair value estimation

The carrying value less impairment provision of trade and other receivables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the useful life assumption may change which may then impact the estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply and demand, together with economic factors such as exchange rates, inflation and interest.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Loans and receivables

The Group assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculation for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated issues based on estimate of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. Financial instrument risk

Risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's risk management policies are designed to identify and analyse these risks, to set up appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

Risks are managed by different levels of management and committees. The latters are responsible for overseeing the establishment and implementation of effective risk management systems and the monitoring of internal compliance and controls.

The most significant financial risks to which the Group is exposed are described below.

4.1 Market risk analysis

Foreign currency sensitivity

The Group is not exposed to foreign exchange risk as most of its assets and liabilities are denominated in the United States Dollar (USD), United Arab Emirates Dirhams (AED) and Bahrain Dinars (BHD). The percentage change on the BHD/USD and AED/USD exchange rate for the year ended 31 March 2014 was less than 1% and this would have impacted marginally on the Group's result. This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months.

The foreign currency profile of the Group's financial assets and liabilities is as follows:-

	The Group		The Company	
	Financial assets USD	Financial liabilities USD	Financial assets USD	Financial liabilities USD
31 March 2014				
Botswana Pula (BWP)	51,800	4,573	-	-
Mauritian Rupees (MUR)	238,943	110,491	-	-
Arab Emirates Dirhams (AED)	5,144,764	25,453	-	-
Bahraini dinars (BHD)	874,489	765,172	-	-
South African rand (RAND)	146	17,770		
	6,310,142	**923,459**	-	-

	The Group		The Company	
	Financial assets USD	Financial liabilities USD	Financial assets USD	Financial liabilities USD
31 March 2013				
Botswana Pula (BWP)	207,137	162,382	-	-
Mauritian Rupees (MUR)	410,389	178,312	-	-
Arab Emirates Dirhams (AED)	12,001,658	260,582	-	-
Bahraini dinars (BHD)	7,858,428	663,008	-	-
	20,477,612	**1,264,284**	-	-

Interest rate sensitivity

The Group has an interest bearing financial liabilities in the form of a loan from a related party and a loan from the holding company. The loan from the related party is indexed to the LIBOR + 3.5% per annum and the loan from the holding company bears a fixed rate of interest of 5.8% per annum.

The Group has interest bearing financial assets in the form of cash and cash equivalents. The impact of changes in interest rate on the interest income derived from these cash and cash equivalents is not significant.

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date. The analysis is prepared assuming that the amount of liability outstanding at the reporting date was as such outstanding for the whole year.

If interest rate had been 25 basis points higher, the effect on loss would have been as follows:

	The Group		The Company	
	2014	2013	2014	2013
	USD	USD	USD	USD
Loss	(175,000)	(419,067)	(175,000)	(358,645)

4.2 Credit risk analysis

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has policies in place to deal with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information and its own trading records to rate its major customers.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	The Group		The Company	
	2014	2013	2014	2013
	USD	USD	USD	USD
Non-current assets				
Investments	13,375,806	13,377,805	115,940,953	150,955,752
Current assets				
Trade and other receivables	531,224	636,646	-	-
Due from related parties	62,501	43,844	44,365,661	27,870,250
Cash and cash equivalents	10,600,284	11,988,596	2,540,014	816,195
	11,194,009	12,699,086	46,905,675	28,686,445
Total	**24,569,815**	**26,046,891**	**162,846,628**	**179,642,197**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

The Group holds investments in two unquoted companies incorporated in Dubai and British Virgin Islands. The investments are stated at cost since the fair values cannot be reliably measured. However, based on the future potential of the investee companies, the directors consider that the cost of the investments to be a reflection of their fair values.

The Company has given loans to group companies and for which the credit risk is manageable.

Trade receivables consist of a limited number of customers. The quality of individual credit or credit class is monitored on an ongoing basis and impairment losses are recognised as appropriate. Ongoing credit evaluation of the financial position of customers is performed and provision for doubtful debts is made where appropriate.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.

The credit risk for the bank balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

None of the above financial assets are secured by collaterals or other credit enhancements.

4.3 Liquidity risk analysis

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors who also monitors the Group's short, medium and long-term funding and liquidity management requirements. The Group manages its liquidity risk by maintaining adequate bank balances through shareholder's funds and borrowings.

The following are the contractual maturities of financial liabilities, including interest payments:

The Group

31 March 2014	Carrying amount USD	Contractual cash flows USD	Less than one year USD	1-5 years USD
Borrowings	214,000,000	233,318,640	80,966,640	152,352,000
Payables	4,404,496	4,404,496	4,404,496	-
	218,404,496	**237,723,136**	**85,371,136**	**152,352,000**
31 March 2013	**Carrying amount USD**	**Contractual cash flows USD**	**Less than one year USD**	**1-5 years USD**
Borrowings	179,000,000	186,392,000	67,712,000	118,680,000
Payables	13,829,792	13,829,792	13,829,792	-
	192,829,792	**200,221,792**	**81,541,792**	**118,680,000**

4.4 Concentration risk

The Group has invested in unlisted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Group to acquire or dispose of such investments. These investments may be difficult to value and to sell or otherwise liquidate and the risk of investing in such companies is much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for the investment existed. However, the directors consider the investments to be strategic ones and the concentration risk is manageable.

5. Capital management policies and procedures

The Group's capital management objectives are:

- to ensure its ability to continue as a going concern; and
- to provide an adequate return to the shareholder and other stakeholders

by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the consolidated statement of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, reduce capital, issue new shares, or sell assets to reduce debts.

The gearing ratio for the Group and the Company are as follows:

The Group	**2014 USD**	**2013 USD**
Debt	214,000,000	179,000,000
Cash and cash equivalents	(10,600,284)	(11,988,596)
Net debt	203,399,716	167,011,404
Equity	(131,188,862)	(55,508,668)
Total capital	72,210,854	111,502,736
Gearing ratio	100%	100%

The Company	**2014 USD**	**2013 USD**
Debt	214,000,000	179,000,000
Cash and cash equivalents	(2,540,014)	(816,195)
Net debt	211,459,986	178,183,805
Equity	(53,844,131)	(1,538,757)
Total capital	157,615,855	176,645,048
Gearing ratio	100%	100%

Debt is defined as long and short-term borrowings, as detailed in Note 14.

Equity includes both capital and reserves.

5.1 Fair value measurement

The Group's unquoted investments are stated at cost which is a reflection of the fair values. The Group's other financial assets and liabilities are measured at their carrying amounts, which approximate their fair values.

5.2 Fair value measurement of non-financial assets and non-financial liabilities

The Group's non-financial assets consist of goodwill, intangible assets, property, plant and equipment, investment in subsidiaries, prepayments and deferred tax. Its non-financial liabilities consist principally of members' deposits.

For both non-financial assets and non-financial liabilities fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

6. Goodwill	2014 USD	2013 USD
At 01 April	29,350,078	29,495,310
Impairment loss	(471,935)	-
	28,878,143	29,495,310
Exchange differences	(69,188)	(145,232)
At 31 March	28,808,955	29,350,078

7. Intangible assets

	Computer software USD
Cost	
At 01 April 2013	63,289,471
Additions	2,450
Exchange difference	(280,421)
At 31 March 2014	63,011,500
Amortisation	
At 01 April 2013	27,387,688
Charge for the year	12,691,198
Exchange difference	(207,358)
At 31 March 2014	39,871,528
Net book values	
At 31 March 2014	23,139,972
Cost	
At 01 April 2012	63,870,159
Additions	10,056
Exchange difference	(590,744)
At 31 March 2013	63,289,471
Amortisation	
At 01 April 2012	14,851,516
Charge for the year	12,659,386
Exchange difference	(123,214)
At 31 March 2013	27,387,688
Net book values	
At 31 March 2013	35,901,783

8. Property, plant and equipment

	Office equipment USD	Furniture and fittings USD	Improvement to leasehold building USD	Motor vehicles USD	Total USD
Cost					
At 01 April 2013	3,364,174	1,690,671	433,513	-	5,488,358
Additions	52,149	-	-	-	52,149
Disposals	(35,160)	(1,132,105)	-	-	(1,167,265)
Transfer to held for sale	(51,992)	(202,705)	-	-	(254,697)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

	Office equipment USD	Furniture and fittings USD	Improvement to leasehold building USD	Motor vehicles USD	Total USD
Impairment loss	-	-	(34,977)	-	(34,977)
Exchange differences	(37,291)	31,993	-	-	(5,298)
At 31 March 2014	3,291,880	387,854	398,536	-	4,078,270
Depreciation					
At 01 April 2013	1,719,682	1,036,757	408,977	-	3,165,416
Charge for the year	555,600	223,570	8,989	-	788,159
Disposals adjustments	(24,557)	(943,258)	-	-	(967,815)
Transfer to held for sale	(43,370)	(44,752)	-	-	(88,122)
Impairment loss adjustments	-	-	(19,430)	-	(19,430)
Exchange differences	(9,499)	3,762	-	-	(5,737)
At 31 March 2014	2,197,856	276,079	398,536	-	2,872,471
Cost					
At 01 April 2012	3,391,998	1,555,588	398,536	56,972	5,403,094
Additions	5,748	159,790	34,977	-	200,515
Disposals	(7,897)	-	-	(56,972)	(64,869)
Exchange differences	(25,675)	(24,707)	-	-	(50,382)
At 31 March 2013	3,364,174	1,690,671	433,513	-	5,488,358
Depreciation					
At 01 April 2011	1,172,010	730,860	391,009	22,310	2,316,189
Charge for the year	558,494	318,582	17,968	1,899	896,943
Disposals adjustments	(3,222)	-	-	(24,209)	(27,431)
Exchange differences	(7,600)	(12,685)	-	-	(20,285)
At 31 March 2013	1,719,682	1,036,757	408,977	-	3,165,416
Net book values					
At 31 March 2014	1,094,024	111,775	-	-	1,205,799
At 31 March 2013	1,644,492	653,914	24,536	-	2,322,942

9. Investment in subsidiaries

9.1 Unquoted and at cost:

	2014 USD	2013 USD
Cost at 01 April	142,566,177	142,566,177
Impairment loss	(35,014,799)	-
Value at 31 March (2013: cost)	107,551,378	142,566,177

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

Bourse Africa Limited (Botswana) is in the process of liquidation and consequently the investment has been written down to a nominal value of USD 1.

9.2 Details of the investments in the subsidiaries are as follows:

Direct holding

Name of subsidiaries	Country of incorporation	Type of share	% holding	Cost 2014 USD	Cost 2013 USD
Bourse Africa Limited	Republic of Botswana	Equity	99.98%	1	35,014,800
Financial Technologies Middle East DMCC (FTME)	United Arab Emirates	Equity	100%	12,038,877	12,038,877
Bourse Africa Limited (formerly known as Global Board of Trade Ltd)	Republic of Mauritius	Equity	100%	1,000,000	1,000,000
Bourse Africa Limited (formerly known as Global Board of Trade Ltd)	Republic of Mauritius	Optionally Convertible Preference Shares	100%	51,000,000	51,000,000
Bahrain Financial Exchange BSC (c)	Kingdom of Bahrain	Equity	87.02%	43,512,500	43,512,500
Total				**107,551,378**	142,566,177

Indirect holding through Bahrain Financial Exchange BSC (c)

Name of subsidiary	Country of incorporation	Type of shares	% Holding
BFX Clearing & Depository Corporation BSC (c)	Kingdom of Bahrain	Equity	99.90%

Indirect holdings through Financial Technologies Middle East DMCC

Name of subsidiaries	Country of incorporation	Type of shares	% Holding
Capricorn Fin-Tech (Pvt) Ltd	Bangladesh	Equity	99.00%
Bahrain Financial Exchange BSC (c)	Kingdom of Bahrain	Equity	12.98%

Indirect holding through Bourse Africa Limited (formerly known as Global Board of Trade Ltd)

Name of subsidiary	Country of incorporation	Type of shares	% Holding
Bourse Africa Clear Ltd (formerly GBOT Clear Ltd)	Republic of Mauritius	Equity	100%

Indirect holdings through Bourse Africa Limited (Botswana)

Name of subsidiaries	Country of incorporation	Type of shares	% Holding
Bourse Exchange Nigeria Limited	Nigeria	Equity	100%
Bourse Tanzania Limited	Tanzania	Equity	100%
Bourse Uganda Limited	Uganda	Equity	100%
Bourse Africa (Kenya) Limited	Kenya	Equity	100%
Bourse Zambia Limited	Zambia	Equity	100%
ICX Africa Limited	Botswana	Equity	100%
Bourse South Africa Limited	South Africa	Equity	100%

9.3 The Company holds Optionally Preference Shares in Bourse Africa Limited (GBOT) and the terms and conditions of these shares are as follows:

- the shares will carry a fixed rate of 5 percent dividend and the dividend will be non-cumulative.
- the shares have no voting rights except on resolutions that affect their rights.
- no dividend will be paid to the ordinary shareholder unless the dividend is paid to the preference shareholder.
- the preference shareholder will have preference over the ordinary shareholder in the event of payment of capital/liquidation.
- no adjustment will be made for the preference shareholder in the event of any corporate actions, bonus and right issue.
- the preference shares shall be redeemed at the option of the OCPS holder and the redemption is within a period of 20 years of the allotment of the first OCPS (that is, within 20 years from 27 December 2006).
- the holder of the OCPS shall have the right to seek conversion of the OCPS at any time from the date of issue. Each OCPS will be redeemed at a premium of 10 percent on redemption. No premium will be payable to the holder of the OCPS on conversion of the OCPS into ordinary shares.
- The OCPS holder will give at least 15 days time to the Company for exercising the Option of conversion/redemption.

9.4 The cost of the investments is considered to be a reflection of the fair values.

10. Available-for-sale investments

Unquoted and at cost:

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	USD	**USD**	**USD**	**USD**
At 01 April	13,377,805	13,377,805	8,389,575	8,389,575
Exchange difference	(1,999)	-	-	-
At 31 March	**13,375,806**	**13,377,805**	**8,389,575**	**8,389,575**

Details of the investments are as follows:

The Group

Name of companies	Country of incorporation	Type of share	% holding	Cost
				USD
Dubai Gold and Commodities Exchange DMCC	Dubai	Equity	14.30%	8,379,575
Audit Control and Expertise Global Ltd (ACE), Audit Control and Expertise Ltd (ACEL) and Commodity Risk Management Technology (CRM)	British Virgin Islands	Equity	20.00%	4,996,231
Total				**13,375,806**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

The shares held in ACE, ACEL and CRM by Financial Technologies Middle East DMCC (FTME) have an embedded 'purchaser put option' exercisable from June 2009 to June 2010. Since the said companies were not able to meet the projections mentioned in the share purchase agreement ("agreement"), management exercised the put option and called for money paid under the share purchase agreement by invoking arbitration.

Pursuant to the award dated 14 April 2011, the Group initiated proceedings in Switzerland, London and Paris for enforcement award.

The Company

Name of companies	Country of incorporation	Type of share	% holding	Cost
				USD
Dubai Gold and Commodities Exchange DMCC	Dubai	Equity	14.30%	8,379,575
BFX Clearing & Depository Corporation	Bahrain	Equity	0.10%	10,000
Total				**8,389,575**

The investments are stated at cost which is a reflection of the fair values.

11. Trade and other receivables

	The Group		The Company	
	2014 USD	**2013 USD**	**2014 USD**	**2013 USD**
Trade receivables, net	98,314	47,645	-	-
Due from related parties	62,501	43,844	44,365,661	27,870,250
Advances(Note (i))	-	30,750,000	-	-
Other receivables and prepayments	2,275,157	6,025,857	2,187	3,048,056
Total	**2,435,972**	**36,867,346**	**44,367,847**	**30,918,306**

(i) In the prior years, a subsidiary has entered into an agreement with Financial Technologies India Limited, towards the supply of software and technical know-how. Software and technical know-how were to be used as part of the commodity exchange business which the subsidiary intended to carry. Due to events as described in Note 23, the subsidiary has assessed that the advances and prepayments of USD 30,750,000 made will not result in any inflow of economic benefits and hence does not carry any recoverable value. Under these circumstances, the entire advances and prepayments of USD 30,750,000 were considered impaired.

(ii) Loan of USD 5,485,000 due from a subsidiary which is unlikely to be operational in the foreseeable future (See Note 23) has been written off.

12. Cash and cash equivalents

	The Group		The Company	
	2014 USD	**2013 USD**	**2014 USD**	**2013 USD**
Cash at bank and in hand:				
USD	9,611,274	3,875,372	2,540,014	816,195
BHD	754,798	7,659,468	-	-
AED	58,988	53,767	-	-
BWP	23,143	32,032	-	-
MUR	151,935	344,929	-	-
Others	146	23,028	-	-
Total	**10,600,284**	**11,988,596**	**2,540,014**	**816,195**

13. Stated capital

	2014		2013	
	Number	USD	Number	USD
Equity shares:				
Ordinary shares of USD 1 each	60,002	60,002	60,002	60,002
Optionally convertible preference shares:				
Shares of USD 1 each	15,000,000	15,000,000	15,000,000	15,000,000
Total	**15,060,002**	**15,060,002**	**15,060,002**	**15,060,002**

The terms and conditions of the Optional Convertible Preference Shares (OCPS) are as follows:

- the shares will carry a fixed 5 percent non-cumulative dividend.
- the shares have no voting rights except on resolutions that affect their rights.
- no dividend will be paid to the ordinary shareholder unless the dividend is paid to the preference shareholder.
- the preference shareholder will have preference over the ordinary shareholder in the event of payment of capital/liquidation.
- the preference shares shall be redeemed within a period of 20 years of the allotment. However, the preference shareholder shall have the right to seek conversion of the OCPS at any time from the date of issue. Each OCPS will be converted into one ordinary share in the capital of the Company.

14. Borrowings

Borrowings consist of a loan from a related party of USD 70m and a loan of USD 144m from the holding company.

(i) The loan from the related party of USD 70m carries interest rate at LIBOR + 3.50% per annum and is unsecured and repayable within 12 months.

(ii) The loan of USD 144m (2013: USD 64m) from the holding company has been classified as non-current as the latter has committed not to recall the said loan in the near future subject to availability of funds. The loan carries interest at 5.8% per annum.

(iii) The bank loan of USD 115m has been fully repaid.

15. Payables

	The Group		The Company	
	2014 USD	2013 USD	2014 USD	2013 USD
Due to a related party (Note (i) below)	2,897,504	4,412,232	2,678,586	4,318,853
Other payables and accruals	1,573,492	8,313,473	14,359	907,157
Advances from prospective members (Note (ii) below)	168,224	170,988	-	-
Deposit from members (Note (iii) below)	1,127,384	933,099	-	-
Total	**5,766,604**	**13,829,792**	**2,692,945**	**5,226,010**

((i) The amount due to a related party is unsecured, interest free and repayable on demand.

(ii) The advances from prospective members relate to those members which have already paid admission fees to undertake membership on the exchange platform, but their admission procedures are still in process at the reporting date.

(iii) The deposit from members relates to Settlement Guaranteed Fund which is refundable to the members.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

16. Deferred income

Deferred income represents the portion of payments received from customers for performing annual maintenance contracts, for which the contract period is not expired at the end of the reporting period.

17. Taxation

17.1 Income tax expense

The Company

The Company, under current laws and regulations, is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritian tax payable in respect of its foreign source income thus reducing its effective tax rate to 3%.

No Mauritian capital gains tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its shareholder will be exempt in the Republic of Mauritius from any withholding tax.

At 31 March 2014, the Company has no income tax liability due to tax losses carried forward.

The subsidiaries

The subsidiary in Botswana is subject to income tax at a basic rate of 15% plus an additional tax rate of 10% and the subsidiaries in Bahrain and Dubai are exempt from income tax. At 31 March 2014, the subsidiary in Botswana had no income tax liability due to tax losses carried forward.

The subsidiaries

The Mauritian subsidiary is liable to income tax at the rate of 15% and at 31 March 2014, it had no income tax liability due to tax losses carried forward.

17.2 Income tax reconciliation

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2014 USD	2013 USD
Loss before tax	(52,308,374)	(11,590,096)
Tax at 3%	(1,569,251)	(347,703)
Deferred tax asset not recognised	1,569,251	347,703
Tax expense	-	-

17.3 Deferred tax

The Company

No deferred tax asset has been recognised as no taxable income is probable in the foreseeable future.

The Subsidiaries

Deferred tax assets are calculated on all temporary differences under the liability method at the rate of 15%.

	2014 USD	2013 USD
At 01 April	(7,715,976)	(4,041,895)
Movement during the year	(1,427,921)	(3,674,081)
At 31 March	(9,143,897)	(7,715,976)

The movement in deferred tax assets is made up of:

	2014 USD	2013 USD
Accelerated capital allowances	47,070	(1,698,421)
Unutilised tax losses	(2,394,733)	(1,986,660)
Tax losses utilised during the year	919,742	-
Tax credit	(1,427,921)	(3,674,081)

18. Consolidation

(i) Details regarding the subsidiaries, their total assets and liabilities as at 31 March 2014, and their revenue and loss for the year then ended are as follows:

	Bourse Africa Limited
Country of incorporation	Republic of Botswana
Proportion of ownership interest	99.98%

	2014 USD	2013 USD
Total assets	359,627	31,315,268
Total liabilities	5,580,013	4,458,689
Operating revenues	400,000	-
Loss for the year	32,076,965	2,440,259

Goodwill on acquisition

	USD
Purchase consideration	14,800
Fair value of net liabilities acquired	457,135
	471,935

	Bahrain Financial Exchange BSC (c)
Country of incorporation	Kingdom of Bahrain
Proportion of ownership interest	87.02%

	2014 USD	2013 USD
Total assets	15,589,322	27,951,835
Total liabilities	22,760,686	19,301,301
Operating revenues	158,103	85,211
Loss for the year	15,997,416	17,847,707

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

Goodwill on acquisition

	USD
Purchase consideration	31,012,500
Fair value of net liabilities acquired	(23,248,013)
	7,764,487

	Financial Technologies Middle East DMCC
Country of incorporation	United Arab Emirates
Proportion of ownership interest	100%

	2014 USD	2013 USD
Total assets	12,260,929	12,104,579
Total liabilities	629,654	1,277,495
Operating revenues	595,742	473,923
Loss for the year	819,584	790,810

Goodwill on acquisition

	USD
Purchase consideration	12,038,877
Fair value of net assets acquired	(11,622,603)
	416,274

	Bourse Africa Limited (formerly known as Global Board of Trade Ltd)
Country of incorporation	Republic of Mauritius
Proportion of ownership interest	100%

	2014 USD	2013 USD
Total assets	26,282,296	30,983,638
Total liabilities	20,893,877	11,365,605
Operating revenues	127,408	111,975
Loss for the year	14,229,614	11,489,784

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

Goodwill on acquisition

	USD
Purchase consideration	1,000,000
Fair value of net liabilities acquired	19,892,183
	20,892,183

19. Related party transactions

During the year ended 31 March 2014, the Company and its subsidiaries had transactions with related parties. The nature, volume of transactions and balances are as follows:

The Company

Nature of relationship	Nature of transactions	Volume of transactions USD	Debit/(credit) balances at 31 March 2014 USD	Debit/(credit) balances at 31 March 2013 USD
Holding company	Loan and interest	87,370,926	(146,059,397)	(65,781,792)
Holding company	Commission	904,803	(270,570)	(2,530,000)
Subsidiaries	Loans and interest	27,005,803	44,303,161	27,870,250
Group company	Loan and interest	70,348,619	(70,348,619)	-
Group company	Advances	21,000	62,500	41,500

The loan to the subsidiaries bears interest at the rate of 6%, are unsecured and receivable within one year.

Refer to Note 14 for terms and conditions of borrowings.

THE SUBSIDIARIES

(i) Bahrain Financial Exchange BSC (c)

Nature of relationship	Nature of transactions	Volume of transactions USD	Debit/(credit) balances at 31 March 2014 USD	Debit/(credit) balances at 31 March 2013 USD
Holding Company	Loan and interest	9,465,822	21,755,852	12,290,030
Ultimate holding company	Advances	20,632	20,632	-
Group company	Maintenance fees	4,603,775	-	-
Key management personnel	Salaries and other benefits	400,100	-	-

(ii) Bourse Africa Limited (Botswana)

Nature of relationship	Nature of transactions	Volume of transactions USD	Debit/(credit) balances at 31 March 2014 USD	Debit/(credit) balances at 31 March 2013 USD
Holding Company	Loan and interest	1,312,986	(5,512,986)	(4,200,000)
Subsidiaries	Advances	47,046	-	(47,046)
Ultimate Holding Company	Advances	30,750,000	-	30,750,000
Group company	Revenue	400,000	-	-

(iii) Financial Technologies Middle East DMCC

Nature of relationship	Nature of transactions	Volume of transactions USD	Debit/(credit) balances at 31 March 2014 USD	Debit/(credit) balances at 31 March 2013 USD
Ultimate Holding Company	Loan and interest	97,881	198,286	100,405

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

(iv) Bourse Africa Limited (Mauritius)

Nature of relationship	Nature of transactions	Volume of transactions USD	Debit/(credit) balances at 31 March 2014 USD	Debit/(credit) balances at 31 March 2013 USD
Subsidiary	Financing	20,945	29,474	8,529
Subsidiary	Investment - Loan (Note 10)	1,001,716	1,001,716	
Group company	Written off of expenses	2,453	-	1,878
Group company	Consultancy fees	65,301	-	(65,157)
Group company	Consultancy fees	400,000	-	-
Group company	Travelling & conveyance	29,839	29,839	-
Holding company	Loan (Note 13)	10,000,000	(20,000,000)	(10,000,000)
Holding company	Interest payable	300,000	(300,000)	-
Holding company	Interest expense	711,333	-	-
Ultimate holding company	Software support	64,718	(64,718)	-
Ultimate holding company	Maintenance costs of software	4,457,550	-	-
Ultimate holding company	Business development costs	1,553	(1,553)	-
Ultimate holding company	Travelling & conveyance	96,303	(96,303)	-
Key management personnel	Remuneration	244,769	-	-
Key management personnel	Termination benefits	6,198	(10,314)	(4,116)
Key management personnel	Staff loans	36,520	34,379	7,556

20. Commitment

Operating lease commitments – where the Group is a lessee

Operating leases relate to office and accommodation facilities with lease terms of 1 to 4 years renewable at the option of the Group. The operating lease contracts contain market review clauses in the event that the Group exercises its option to renew. The Group does not have an option to purchase the leased assets at the expiry of the lease period.

	2014 USD	2013 USD
Minimum lease payment under operating lease recognised in statement of comprehensive income	913,089	1,102,965

The future minimum lease payments payable under the non-cancellable operating leases are as follows:

	2014 USD	2013 USD
Not later than 1 year	612,704	721,029
2 - 4 years	179,525	182,930
	792,229	903,959

21. Matters

21.1 Basis of preparing the consolidated financial statements: going concern assumption

The Group made a loss of USD 75,681,740 (Company: USD 52,308,374) for the year ended 31 March 2014, and as of that date it had a negative equity of USD 131,190,408 (Company: USD 53,844,131). Management considers such negative performance as the result of the gestation period in exchange ventures which are generally longer period and also the after effect of the divestment in Bourse Africa Limited (Botswana).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2014

The Company and its subsidiaries are therefore highly dependent upon the continuing financial support of the holding company and other related parties to remain in business and without such support there would be significant doubt about their ability to continue as going concern businesses.

The holding company is presently implementing some strategic plans including a divestment plan and until such plan is not completed, it has renewed its commitment to support the Company and its subsidiaries so as to enable them to continue as going concern businesses and to meet their obligations as they fall due.

The directors have assessed the present situation and believe that there is a reasonable expectation that the Company and its subsidiaries will be able to continue operations in the foreseeable future and consequently it is still appropriate to prepare the consolidated financial statements on the going concern basis.

21.2 Fair value of investments

As disclosed in Notes 9 and 10 to the consolidated financial statements, the Company has invested to the extent of USD 115,940,953 in unquoted companies engaged in Exchange businesses. Given the specific business activities of these investee companies, there is no specific valuation method/benchmark that could be applied to estimate the fair values. Considering the track record of the holding company's divestment plan, management will review the fair value of the respective investments periodically. However, based on a recent disposal of a subsidiary by the holding company engaged in similar business activity; also an exchange based out of Dubai wherein the Company holds a minority shareholding which came out with a right issue during the year which was priced more that the book value of that exchange and coupled with the value of the "Exchange" licences presently each subsidiary is carrying, the directors consider that no additional provision is deemed necessary towards the impairment of the investments other than Bourse Africa Limited (Botswana).

22. Contingencies

22.1 Bourse Africa Limited (Botswana)

Certain employees and former employees of Bourse Africa Limited (Botswana) have initiated legal proceedings for settlement of their dues and calculation of PAYE taxes. The subsidiary has engaged its attorneys to defend the suit. As at the reporting date, no estimate of the potential liability or the probability of the subsidiary's ability to defend itself is available. Hence no adjustments have been made to these financial statements.

22.2 Financial Technologies Middle East DMCC

	2014 USD	2013 USD
Letters of guarantee	28,656	28,656

23. Discontinued operations or disposal groups or non-current assets held for sale

Bourse Africa Limited (Botswana), had requested its regulator in Botswana, Non-Banking Financial Institution Regulatory Authority (NBFIRA), to cancel its commodity exchange and other licences. Further, the subsidiary does not intend to carry any commercial operations and is in process of filing for voluntary liquidation. On this basis, all property, plant and equipment are classified as assets held for sale.

Non-current assets held for sale

	2014 USD
Property, plant and equipment	166,577

24. Holding company

The directors regard Financial Technologies (India) Limited, a listed company incorporated in the Republic of India, as the Company's holding company.

25. Event after the reporting date

The directors have taken notice of the developments at the level of the holding company, particularly in respect of the National Spot Exchange Limited (NSEL) issue and concluded that such developments do not affect the Group.

The holding company has decided to exit the exchange businesses under a project which is still under consideration at the reporting date.

INDEPENDENT AUDITOR'S REPORT

To
The Shareholder
M/s. Financial Technologies Middle East DMCC
Dubai - U.A.E.

We have audited the accompanying financial statements of **M/s. Financial Technologies Middle East DMCC**, Dubai - U.A.E., which comprise the statement of financial position as at March 31, 2014, the statements of profit or loss and other comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable under the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and explanations given to us, the financial statements present fairly, in all material respects, the financial position of M/s.Financial Technologies Middle East DMCC, Dubai - U.A.E., as at March 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

As required by the provision of the DMCC Company Regulation no. 1/3 issued in 2003, we further confirm that,

1. We have obtained all the information and explanations necessary for our audit.
2. Proper books of account have been maintained by the Company.
3. We are not aware of any contraventions during the year of the abovementioned law or the Company's Articles of Association which may have material effect on the financial position of the Company or the result of its operations for the year.

RAO & ROSS

CHARTERED ACCOUNTANTS

Date: 25 May, 2014.

STATEMENT OF FINANCIAL POSITION as of March 31, 2014

(In Arab Emirates Dirhams)

	Notes	Mar 31, 2014	Mar 31, 2013
ASSETS			
Current assets:			
Cash and bank balances	5	1,388,959	601,529
Accounts receivable	6	361,184	175,038
Other receivables and prepayments	7	1,094,585	1,209,307
Due from related parties	8	-	287,331
Total current assets		**2,844,728**	2,273,205
Non - current assets			
Property, plant and equipment	9	28,483	42,714
Available for sale investments	10	42,170,613	42,170,613
Investment in subsidiary	11	-	5,940
Total non - current assets		**42,199,096**	42,219,267
Total assets		**45,043,824**	44,492,472
Liabilities and shareholder's equity			
Current liabilities:			
Deferred income	12	482,111	98,917
Other payables	13	1,045,378	588,525
Due to related parties	8	728,457	368,865
Total current liabilities		**2,255,946**	1,056,307
Non-current liabilities			
Long term liability	14	57,257	149,465
Total liabilities		**2,313,203**	1,205,772
Shareholder's equity			
Share capital	1	66,000,000	66,000,000
Accumulated (losses)	15	(29,234,754)	(26,200,750)
Shareholder's loan account	16	5,965,375	3,487,450
Total shareholder's equity		**42,730,621**	43,286,700
Total liabilities and shareholder's equity		**45,043,824**	44,492,472

The accompanying notes form an integral part of these financial statements.

The Report of the Auditor is set out on page 459.

The financial statements on pages 460 to 470 were approved by the Board of Directors and signed on its behalf by:

Ajay Chadha
(Manager)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended March 31, 2014

(In Arab Emirates Dirhams)

	Notes	Apr 01, 2013 to Mar 31, 2014	Apr 01, 2012 to Mar 31, 2013
Revenue	17	2,188,618	1,741,084
Cost of revenue	18	1,618,451	1,183,136
Gross Profit		**570,167**	557,948
Deduct			
General and administrative expenses	19	3,279,990	3,282,486
Selling expenses	20	17,024	47,622
Interest on shareholder's loan	16	242,804	97,925
Foreign exchange loss		35,685	2,774
Depreciation	9	23,231	35,144
Provision for impairment loss	11	5,940	-
Total operating expenses		**3,604,674**	3,465,951
(Loss) from operating activities		**(3,034,507)**	(2,908,003)
Other comprehensive (loss)			
Other income	21	503	3,499
Total comprehensive (loss) for the year		**(3,034,004)**	(2,904,504)

The accompanying notes form an integral part of these financial statements.

The Report of the Auditor is set out on page 459.

The financial statements on pages 460 to 470 were approved by the Board of Directors and signed on its behalf by:

Ajay Chadha
(Manager)

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

for the year ended March 31, 2014

(In Arab Emirates Dirhams)

Particulars	Share capital	Accumulated (losses)	Shareholder's loan account	Total
Balance as on April 1, 2012	66,000,000	(23,296,246)	737,727	43,441,481
Changes in shareholder's equity:				
Total comprehensive (loss) for the year	-	(2,904,504)	-	(2,904,504)
Interest	-	-	97,925	97,925
Net movement during the year	-	-	2,651,798	2,651,798
As on March 31, 2013	**66,000,000**	**(26,200,750)**	**3,487,450**	**43,286,700**
Changes in shareholder's equity:				
Total comprehensive (loss) for the year	-	(3,034,004)	-	(3,034,004)
Interest	-	-	169,692	169,692
Net movement during the year	-	-	2,308,233	2,308,233
As on March 31, 2014	**66,000,000**	**(29,234,754)**	**5,965,375**	**42,730,621**

The accompanying notes form an integral part of these financial statements.

The Report of the Auditor is set out on page 459.

The financial statements on pages 460 to 470 were approved by the Board of Directors and signed on its behalf by:

Ajay Chadha
(Manager)

STATEMENT OF CASH FLOW for the year ended March 31, 2014

(In Arab Emirates Dirhams)

	Apr 01, 2013 to Mar 31, 2014	Apr 01, 2012 to Mar 31, 2013
Cash flows from operating activities		
Net comprehensive (loss) for the year	(3,034,004)	(2,904,504)
Adjustment for:		
Depreciation	23,231	35,144
Provision for impairment	5,940	-
Provision for doubtful debts	-	42,343
Interest provided on shareholder's loan	169,692	97,925
Provision for staff termination benefits	19,106	66,762
Operating (loss) before changes in working capital	**(2,816,035)**	(2,662,330)
(Increase)/decrease in working capital		
Accounts receivable	(186,146)	43,981
Other receivables and prepayments	114,722	(20,593)
Due from related parties	287,331	(265,189)
Due to related parties	359,592	274,577
Deferred income	383,194	39,637
Other payable	456,853	329,612
Net cash (used in) operations	**(1,400,489)**	(2,260,305)
Staff termination benefits paid	(111,314)	-
Net cash (used in) operating activities	**(1,511,803)**	(2,260,305)
Cash flows from investing activities		
Purchase of property, plant & equipments	(9,000)	(36,945)
Net cash (used in) investing activities	**(9,000)**	(36,945)
Cash flows from financing activities		
Net movement in shareholder's loan account	2,308,233	2,651,798
Net cash from financing activities	**2,308,233**	2,651,798
Net increase in cash and cash equivalents	787,430	354,548
Cash and cash equivalents, beginning of the year	601,529	246,981
Cash and cash equivalents, end of the year	**1,388,959**	601,529
Represented by:		
Cash in hand	283	17,114
Balance with banks - current accounts	1,388,676	584,415
	1,388,959	601,529

The accompanying notes form an integral part of these financial statements.

The Report of the Auditor is set out on page 459.

The financial statements on pages 460 to 470 were approved by the Board of Directors and signed on its behalf by:

Ajay Chadha
(Manager)

NOTES to financial statements for the year ended 31st March, 2014

1 LEGAL STATUS AND BUSINESS ACTIVITIES

a. **M/s. Financial Technologies Middle East DMCC,** Dubai, U.A.E., (the "Company") is registered with the Dubai Multi Commodities Centre, Dubai - U.A.E. on November 08, 2005 (Licence No. 30305) as a Limited Liability Company.

b. The Company is principally engaged in the business of providing technology and software services.

c. The registered address of the Company is P.O. Box: 212010, Dubai – United Arab Emirates.

2 SHARE CAPITAL

The authorised share capital of the Company is AED 210,000,000 divided into 210,000 shares of AED 1,000 each. Of the above, 66,000 shares are fully paid up and held in the name of **M/s. FT Group Investments Pvt Ltd, Mauritius**.

3 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and applicable requirements of U.A.E. Law.

Reporting period

These financial statements represent the operating results of the Company for a period from April 01, 2013 to March 31, 2014.

Functional and presentation currency

These financial statements are presented in Arab Emirates Dirhams (AED) and rounded off to nearest Dirham.

A summary of the significant accounting policies applied in the preparation of these financial statements are set out below which are consistently applied for the year presented, unless otherwise stated.

a. Accounting convention

The financial statements have been prepared in accordance with historical cost convention basis.

b. Revenue recognition

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

(i) The amount of revenue can be measured reliably;

(ii) It is probable that the economic benefits associated with the transaction will flow to the Company;

(iii) The stage of completion of the transaction at the end of the reporting period can be measured reliably; and

(iv) The costs incurred for the transaction and the cost to complete the transaction can be measured reliably.

c. Property plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, levies, duties and any directly attributable cost of bringing the asset to its working condition.

Depreciation is computed using the straight line method, at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives as follows:

Computers and software	3 Years
Furniture, fixtures and equipment	3 Years

d. Impairment of assets

Property, plant and equipment are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit or loss.

e. Available for sale investments

Investment in shares held for trading are recognised at cost. Subsequent measurement of these financial assets have been made at cost according to the provisions of clause 46 (c) of IAS 39 - Financial Instruments: Recognition and Measurement.

f. Investment in subsidiary

Subsidiaries are those entities which are controlled by the parent company. Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiary are not included in these financial statements. Investments in subsidiary in the parent company balance sheet are carried at cost less any impairment in value in accordance with the IAS 27.

g. Employee's end of service benefits

Provision is made for end of service benefits due to employees in accordance with the relevant U.A.E labour legislation for their period of service upto the end of the reporting period and disclosed in the accompanying financial statements as non current liability.

h. Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the end of the reporting period. Gains and losses arising are included in the profit or loss.

i. Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reasonably estimated.

j. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash, balances with the bank and deposits with the banks maturing within 3 months from the date of deposit.

k. Accounts receivable

Accounts receivable are stated at their nominal value, as reduced by appropriate allowances for estimated doubtful amounts. Bad debts are written off as and when they arise.

l. Accounts payable

Accounts payable are stated at their nominal value.

m. Financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favourable or an equity instrument, excluding investment in subsidiaries, associates or joint ventures. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavourable.

4 Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, which are described in notes to the accounts, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

4.1 Critical judgments in applying the Company's accounting policies

In the process of applying the Company's accounting policies, the management is of the opinion that there is no instance of application of judgments which is expected to have a significant effect on the amounts recognised in the financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that is having a significant risk of causing of material adjustment to carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation on property, plant and equipment

Property, plant and equipment is depreciated over its estimated useful life, which is based on estimates for expected usage of the assets and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

Allowance for doubtful debts on trade receivable

Allowance for doubtful debts is determined using a combination of factors, including the overall quality and ageing of trade receivable, continuing evaluation of the customers' financial strength. Management makes allowance for doubtful debts based on its best estimates at the end of the reporting period.

			(AED)
5	**CASH AND BANK BALANCES**	**March 31, 2014**	**March 31, 2013**
	Cash in hand	283	17,114
	Balance with banks - current accounts	1,388,676	584,415
		1,388,959	601,529
6	**ACCOUNTS RECEIVABLE**		
	Sundry debtors	406,039	219,893
	Less: Provision for doubtful debts	(44,855)	(44,855)
		361,184	175,038
	a) Ageing analysis:		
	Due for less than 6 months	333,817	180,038
	Due for more than 6 months	72,222	39,855
		406,039	219,893
	b) Geographical analysis:		
	Within U.A.E.	353,977	127,174
	Outside U.A.E.	52,062	92,719
		406,039	219,893
	c) Credit risk analysis At the end of the reporting year top 5 customers constitute 61% (P.Y. 98%) of the total outstanding accounts receivable. Adequate provision has been made for balance considered as doubtful of recovery. The provision has been determined by reference to past experience.		
	d) The fair value of accounts receivable is not materially different from their balances shown in the statement of financial position.		
	e) Movement of provision for dobtful debts		
	Balance - beginning of the year	44,855	79,964
	Provision made during the year	-	42,343
	Bad debts written off	-	(77,452)
	Balance - end of the year	**44,855**	44,855
7	**OTHER RECEIVABLES AND PREPAYMENTS**		
	Guarantee deposits	105,278	105,278
	Other deposits	19,050	250,271
	Advance paid to staff	9,696	34,177
	Other receivables	599,730	695,259
	Prepayments	360,831	124,322
		1,094,585	1,209,307

8 RELATED PARTY TRANSACTIONS

The Company enters into transaction with companies and entities that fall within the definition of a related party as contained in International Financial Reporting Standards (IFRS). Related parties comprise of companies and entities under common ownership and/or common management and control their partners and key management personnel.

The Company believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

At the end of the reporting period, due from related parties were as follows:

Due from related parties		
M/s. Bourse Africa Ltd., Mauritius	-	239,389
M/s. FT Group Investment Private Limited, Mauritius	-	25,800
M/s. Capricorn Fin - Tech (Pvt) Ltd., Dhaka - Bangladesh	-	22,142
	-	287,331
At the end of the reporting period, due to related parties were as follows:		
Due to related parties		
M/s. Financial Technologies (India) Limited, Mumbai - India	728,457	368,865
	728,457	368,865

(AED)

	March 31, 2014	March 31, 2013
The nature of significant related party transactions and the amounts involved were as follows:		
Revenue	486,580	261,611
Cost of revenue	1,229,739	1,067,466
Interest paid	242,804	97,925
The Company provides/receives funds from/to related parties as and when required as working capital facilities.		

(AED)

9 PROPERTY, PLANT AND EQUIPMENT	Computers and Software	Furniture, fixtures and equipment	Total
Cost:			
At April 1, 2013	268,547	57,983	326,530
Additions	9,000	-	9,000
At March 31, 2014	**277,547**	**57,983**	**335,530**
Accumulated Depreciation:			
At April 1, 2013	234,241	49,575	283,816
For the year	20,857	2,374	23,231
At March 31, 2014	**255,098**	**51,949**	**307,047**
Net book value:			
At March 31, 2014	**22,449**	**6,034**	**28,483**
At March 31, 2013	34,306	8,408	42,714

(AED)

10 AVAILABLE FOR SALE INVESTMENTS	March 31, 2014	March 31, 2013
Investments in shares	**42,170,613**	42,170,613

The Company holds 20% stake in Audit Control and Expertise Global Ltd., Audit Control and Expertise Ltd and Commodity Risk Management Technology Pte Ltd. Total carrying cost of such investment included in non-current investments in equity shares is AED 18,355,000 (USD 5,000,000). The shares have an embedded 'purchaser put option' exercisable from June 2009 – June 2010. Since the said companies were not able to meet the projections mentioned in the share purchase agreement, management exercised the put option and called for money paid under share purchase agreement by invoking arbitration. Pursuant to the award dated April 14, 2011, the Company has iniated proceedings in Switzerland, London and Paris for enforcement award.

Included in the above investment AED 23,815,613, being the 17.30% investment in M/s. Bahrain Financial Exchange BSC (c), Manama - Kingdom of Bahrain. The investment has been stated at cost.

11 INVESTMENT IN SUBSIDIARY		
M/s. Capricorn Fin - Tech (Pvt) Ltd., Dhaka - Bangladesh (99% equity interest)	5,940	5,940
Less: Provision for impairment	(5,940)	-
	-	5,940
The above subsidiary is not consolidated in these financial statements. Investment in subsidiary is carried at cost as per IAS 27 ("Consolidated and separate financial statements"). An objective assessment for impairment is carried out annually.		

12 Deferred income		
Deferred income	**482,111**	98,917

The above represents the portion of payments received from customers for performing annual maintenance contracts, for which the contract period is not expired at the end of the reporting period.

(AED)

		March 31, 2014	March 31, 2013
13	**OTHER PAYABLES**		
	Accrued expenses and provisions	1,044,958	586,322
	Advance received from customer	420	2,203
		1,045,378	588,525
14	**LONG TERM LIABILITY**		
	Provision for staff termination benefits		
	Balance - beginning of the year	149,465	82,703
	Provision made during the year	19,106	66,762
	Less: Paid during the year	(111,314)	-
	Balance - end of the year	**57,257**	149,465
15	**ACCUMULATED (LOSSES)**		
	Balance - beginning of the year	(26,200,750)	(23,296,246)
	Net (loss) for the year	(3,034,004)	(2,904,504)
	Balance - end of the year	**(29,234,754)**	(26,200,750)
16	**SHAREHOLDERS' LOAN ACCOUNT**		
	Balance - beginning of the year	3,487,450	737,727
	Additions during the year	2,477,925	2,753,250
	Interest	169,692	97,925
	Paid during the year	(169,692)	(101,452)
	Balance - end of the year	**5,965,375**	3,487,450
	The above loan represents USD 1,625,000 received from FT Group Investment Private Limited, which bears interest @ 6% per annum. Interest upto December 31, 2013 has been paid in full. Interest from January 01 to March 31, 2014, AED 73,112 has been provided and shown as accrued expenses.		

(AED)

		Apr 01, 2013 to Mar 31, 2014	Apr 01, 2012 to Mar 31, 2013
17	**REVENUE**		
	Service income	**2,188,618**	1,741,084
18	**COST OF REVENUE**		
	Direct cost	**1,618,451**	1,183,136
19	**GENERAL AND ADMINISTRATIVE EXPENSES**		
	Salaries & other related benefits	1,119,026	1,665,615
	Rent	68,174	77,693
	Communication	118,450	94,720
	Professional fees	21,600	18,000
	Legal, municipal and visa	1,750,016	1,242,488
	Printing and stationery	2,213	2,450
	Travelling and conveyance	25,576	99,794
	Bad debts & provision for bad debts	105,705	42,343
	Bank charges	24,235	19,693
	Other operating expenses	44,995	19,690
		3,279,990	3,282,486

(AED)

		Apr 01, 2013 to Mar 31, 2014	Apr 01, 2012 to Mar 31, 2013
20	**SELLING EXPENSES**		
	Business promotion expenses	**17,024**	47,622
21	**OTHER INCOME**		
	Provision no more required	-	1,500
	Interest received	503	1,999
		503	3,499
22	**OPERATING LEASES** The Company entered into non cancellable operating lease contract whereby it would leased out office space to the Company. The future aggregate minimum lease commitments on operating leases are as follows:		
	Lease payments recognised as expense during the year	**68,174**	77,693
	Future minimum lease payments		
	Less than 1 year	**-**	24,000

23 Financial instruments

Financial instruments of the Company comprise of cash and bank balances, accounts receivable, other receivables, due to related parties, deferred income and other payables.

Fair values of financial assets and liabilities

At the end of the reporting period, the fair values of the Company's financial assets and liabilities approximate their carrying values.

Risk management

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged since previous year.

Credit risk

Financial assets which potentially expose the Company to concentration of credit risk comprise principally bank accounts, accounts receivable, other receivables and due from related parties.

The Company's bank accounts are placed with high quality financial institutions.

Accounts receivable are stated net of allowances for doubtful debts.

Currency risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirham or US Dollars to which conversion of Dirham is fixed.

Interest rate risk

The Company's loan from Shareholder is obtained at fixed rate of interest @6% per annum. Other than this the Company is not exposed to any significant interest rate risk as at the end of the reporting period

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and financial liabilities.

(AED)

24	CONTINGENT LIABILITIES	March 31, 2014	March 31, 2013
	Letters of guarantee	**105,278**	105,278

Except for the above and the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability on Company's account at the end of the reporting period.

25 HOLDING AND ULTIMATE HOLDING COMPANIES

The directors regard FT Group Investments Pvt. Ltd, a company incorporated in the Republic of Mauritius, as the Company's immediate holding company and Financial Technologies (India) Limited, a listed company incorporated in India, as the Company's ultimate holding company.

26 COMPARATIVE AMOUNTS

Certain figures of the previous year were regrouped/reclassified, wherever necessary, to conform to current year's presentation.

The financial statements on pages 460 to 470 were approved by the Board of Directors and signed on its behalf by:

Arshad Khan
(Manager)

ACCOUNTANT'S REPORT

To

The Shareholders

M/s. Capricorn Fin-Tech (Pvt.) Ltd

Dhaka - Bangladesh

We have compiled the accompanying financial statements of M/**s. Capricorn Fin-Tech (Pvt.) Ltd., Dhaka - Bangladesh** ("the Company") which comprise the statement of financial position as at March 31, 2014, the statement of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Opinion

We have reviewed the financial statements in the light of information and explanation given to us and the said financial statements are properly drawn up, in accordance with the generally and internationally accepted accounting principles, so as to present fairly the financial position and the result of the operation of **M/s. Capricorn Fin-Tech (Pvt.) Ltd., Dhaka - Bangladesh,** as at March 31, 2014.

RAO & ROSS
CHARTERED ACCOUNTANTS

Date: 25 May, 2014.

STATEMENT OF FINANCIAL POSITION as at 31st March, 2014

(In Arab Emirates Dirhams)

	Notes	Mar 31, 2014	Mar 31, 2013
Assets			
Current assets:			
Cash at bank	4	-	5,040
Total assets		**-**	5,040
Shareholders' equity			
Share capital	1	6,000	6,000
Accumulated losses	5	(6,000)	(23,042)
Shareholder's current account	6	-	22,082
Total shareholders' equity		**-**	5,040

The accompanying notes form an integral part of these financial statements.
The Accountant's Report is set out on page 471.
The financial statements on pages 472 to 475 were approved by the Board of Directors and signed on its behalf by:

Mr. Arshad Mohammed Khan
(Director)

Mr. Wali Ul Maroof Matin
(Director)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended March 31, 2014

(In Arab Emirates Dirhams)

	Notes	Apr 01, 2013 to Mar 31, 2014	Apr 01, 2012 to Mar 31, 2013
General and administrative expenses	7	(5,040)	(750)
Shareholder's current account written off		22,082	-
Net profit/(loss) for the year		**17,042**	(750)

The accompanying notes form an integral part of these financial statements.
The Accountant's Report is set out on page 471.
The financial statements on pages 472 to 475 were approved by the Board of Directors and signed on its behalf by:

Mr. Arshad Mohammed Khan
(Director)

Mr. Wali Ul Maroof Matin
(Director)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY for the year ended 31st March, 2014

(In Arab Emirates Dirhams)

Particulars	Share capital	Accumulated losses	Shareholder's current account	Total
Changes in shareholders' equity:				
As on 01 April 2012	6,000	(22,292)	22,082	5,790
Net (loss) for the year	-	(750)	-	(750)
As on March 31, 2013	**6,000**	**(23,042)**	**22,082**	**5,040**
Changes in shareholders' equity:				
Net profit for the year	-	17,042	-	17,042
Transfer to accumulated losses	-	-	(22,082)	(22,082)
As on March 31, 2014	**6,000**	**(6,000)**	**-**	**-**

The accompanying notes form an integral part of these financial statements.
The Accountant's Report is set out on page 471.
The financial statements on pages 472 to 475 were approved by the Board of Directors and signed on its behalf by:

Mr. Arshad Mohammed Khan
(Director)

Mr. Wali Ul Maroof Matin
(Director)

STATEMENT OF CASH FLOW
for the year ended March 31, 2014

(In Arab Emirates Dirhams)

	Apr 01, 2013 to Mar 31, 2014	Apr 01, 2012 to Mar 31, 2013
Cash flows from operating activities		
Net (loss) for the year	17,042	(750)
Adjustment for shareholder's current account written off	(22,082)	-
Net cash (used in) operating activities	**(5,040)**	(750)
Net (decrease) in cash and cash equivalents	(5,040)	(750)
Cash and cash equivalents, beginning of the year	5,040	5,790
Cash and cash equivalents, end of the year	**-**	5,040
Represented by:		
Balance with bank - current account	-	5,040
	-	5,040

The accompanying notes form an integral part of these financial statements.
The Accountant's Report is set out on page 471.
The financial statements on pages 472 to 475 were approved by the Board of Directors and signed on its behalf by:

Mr. Arshad Mohammed Khan
(Director)

Mr. Wali Ul Maroof Matin
(Director)

NOTES to financial statements for the year ended March 31, 2014

1 **Legal status and business activities**

a. **M/s. Capricorn Fin-Tech (Pvt.) Ltd**, (the “Company”) is registered under Bangladesh Companies Act, 1994 on March 25, 2008 (Incorporation certificate no. C-70510(3019)/08) as a Private Limited Company.

b. The Company is principally engaged in providing technology and software services.

c. The management and control of the Company are vested with the Directors, Mr. Arshad Mohammed Khan (Indian national) representing M/s. Financial Technoloties Middle East DMCC, Dubai - U.A.E. and Mr. Wali Ul Maroof Matin (Bangladeshi national).

d. The registered address of the Company is 5th Floor, Chowdhary Centre, Dhaka - 1217, Bangladesh.

e. Authorised and issued share capital of the Company is AED 600,000 (equivalent to Bangladesh TK 10,000,000) divided into 10,000 shares of AED 60 each of which AED 6,000 (equivalent to Bangladesh TK 100,000) is paid up as at March 31, 2011 and held by the shareholders as follows:

Name of the shareholders	Nationality	No. of Shares	%	Amount AED
M/s. The Financial Technologies Middle East DMCC, Dubai - U.A.E.	U.A.E.	99	99%	5,940
Mr. Wali Ul Maroof Matin	Bangladeshi	1	1%	60
		100	**100%**	**6,000**

2 **GOING CONCERN**

The management has decided to close the Company and the proceedings for the same is under the way as on the date of reporting.

3 **SIGNIFICANT ACCOUNTING POLICIES**

Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

Reporting period

These financial statements represent the operating results of the Company for a period from April 01, 2013 to March 31, 2014.

Functional and presentation currency

These financial statements are presented in Arab Emirates Dirhams (AED).

A summary of the significant accounting policies applied in the preparation of these financial statements are set out below which are consistently applied for the year presented, unless otherwise stated.

a. Accounting convention

The financial statements have been prepared in accordance with historical cost convention basis.

b. Foreign currencies

Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing at the end of the reporting period. Gains and losses if any, arising are included in the profit or loss.

c. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash, balances with the bank and deposits with the banks maturing within 3 months from the date of deposit.

d. Financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised on the Company’s statement of financial position when the Company has become a party to the contractual provisions of the instrument. A financial asset is any asset that is cash, a contractual right to receive cash or other financial asset, a contractual right to exchange financial instruments under conditions that are potentially favorable or an equity instrument, excluding investment in subsidiaries, associates or joint ventures. A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments under conditions that are potentially unfavorable.

NOTES to financial statements for the year ended 31st March, 2014

(In Arab Emirates Dirhams)

		Mar 31, 2014	Mar 31, 2013
4	**CASH AT BANK**		
	Balance with bank - current account	-	5,040
5	**ACCUMULATED LOSSES**		
	Balance - beginning of the year	(23,042)	(22,292)
	Net profit for the year	17,042	(750)
	Balance - end of the year	**(6,000)**	(23,042)
6	**SHAREHOLDERS' CURRENT ACCOUNT**		
	Balance - beginning of the year	22,082	22,082
	Written off against accumulated losses	(22,082)	-
	Balance - end of the year	**-**	22,082
7	**GENERAL AND ADMINISTRATIVE EXPENSES**		
	Miscellaneous expenses	**5,040**	750

8 CONTINGENT LIABILITIES

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on Company's account as at the end of the reporting period.

9 COMPARATIVE AMOUNTS

Previous year's figues have not been regrouped/reclassified wherever necessary to conform to current year's presentation.

The financial statements on pages 472 to 475 were approved by the Board of Directors and signed on its behalf by:

Mr. Arshad Mohammed Khan
(Director)

Mr. Wali Ul Maroof Matin
(Director)

CORPORATE DATA

			Date appointed	Date resigned
Directors	:	Venkat Chary (Chairman)	14 September 2010	-
		Jignesh Prakashbhai Shah (Vice Chairman)	18 December 2006	24 December 2013
		Sulliman Adam Moollan	14 May 2009	-
		Ranapartab Tacouri	22 June 2009	-
		Rinsy Ansalam	31 May 2012	-
		Joseph Massey	03 September 2012	17 September 2013
		Manjay Prakashchandra Shah	03 September 2012	-
		Prashant Desai	18 February 2014	-

Mohamed A. Vayid, a director appointed on 14 May 2009, passed away on 05 May 2013

Secretary :
As from 10 February 2014

Anex Corporate Services Ltd
Ebene Tower
52 Cybercity
Ebene
Republic of Mauritius

Up to 10 February 2014

Patrick Teddy Sattoovera, FCCA
C/o Bourse Africa Limited
Ebene House
33 Cybercity
Ebene
Republic of Mauritius

Auditors :

Grant Thornton
Ebene Tower
52 Cybercity
Ebene
Republic of Mauritius

Banker :

The Hong Kong and Shanghai Banking Corporation Limited
Banque Des Mascareignes Ltée
Barclays Bank Plc
SBI (Mauritius) Ltd

Legal advisors :

Me Avinash Sunassee
5, St James Court
St Denis Street
Port Louis
Republic of Mauritius

Me Firoz Hajee Abdoola
11, Sir Virgil Naz Street
Port Louis
Republic of Mauritius

DIRECTOR'S REPORT

Annual report

The directors have pleasure in submitting their report together with the audited financial statements of Bourse Africa Limited (formerly known as Global Board of Trade Ltd), the "Company" or "BAL", for the year ended 31 March 2014.

Incorporation

The Company was incorporated in the Republic of Mauritius on 18 December 2006 under the Mauritius Companies Act 2001 as a private company with liability limited by shares under the name of Global Board of Trade Ltd. The status of the Company changed from a private company to a public company on 31 January 2008. It changed its name from Global Board of Trade Ltd to Bourse Africa Limited on 08 October 2013 as evidenced by a Certificate of Incorporation on Change of Name issued by the Registrar of Companies.

Principal activity

The principal activity of the Company is to operate a Multi-Asset Class Exchange in the Republic of Mauritius. The Exchange is the first pan-African derivatives exchange.

Results and dividends

The results for the year are as shown on page 482.

The directors do not recommend the payment of a dividend for the year under review (2013: Nil).

Directors

The present membership of the Board is set out on page 476.

Directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and the cash flows of the Company. The directors are also responsible for keeping accounting records which:

- correctly record and explain the transactions of the Company;
- disclose with reasonable accuracy at any time the financial position of the Company; and
- would enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001, the Financial Reporting Act 2004 and other relevant legislations.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

Directors' service contracts

Employment contracts which the Company has with its directors are done in accordance with the provisions of the Employment Rights Act 2008.

DIRECTOR'S REPORT

Directors' share interests

No shares are held by the directors in the Company.

Directors' remuneration and fees

Remuneration and fees received by the directors are shown below:

	2014 USD	2013 USD
Full time executive directors	244,769	233,412
Non-executive directors	56,000	93,400

Donations

The Company did not make any donations during the year under review (2013: Nil).

Significant contracts

No contracts of significance or loans existed during the year under review between the Company and its directors.

Auditors

The auditors, Grant Thornton, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

Fees payable/paid to the auditors are as follows (exclusive of VAT):

	2014 USD	2013 USD
Audit services	6,970	6,460

Matters affecting the ultimate holding company (FTIL)

National Spot Exchange Limited (NSEL), a subsidiary of Financial Technologies (India) Limited (FTIL), a company incorporated in India, has suspended its trading activities due to some business matters. The happenings at NSEL does not have and will not have any direct impact on the business operations of BAL and also does not entail any financial liability on BAL.

Rinsy Ansalam	**Ranapartab Tacouri**
Director	Director

Date: 20 May, 2014

Certificate from the Secretary

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of Bourse Africa Limited (formerly known as Global Board of Trade Ltd) under the Mauritius Companies Act 2001, in terms of Section 166(d), during the financial year ended 31 March 2014.

Anex Corporate Services Ltd
Secretary

Registered address:
Ebene Tower
52 Cybercity
Ebene
Republic of Mauritius

Date: 20 May, 2014

INDEPENDENT AUDITORS' REPORT To the member of Bourse Africa Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Bourse Africa Limited (formerly Global Board of Trade Ltd), the "Company", which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 481 to 497 give a true and fair view of the financial position of the Company as at 31 March 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

Emphasis of matter

We draw attention to Note 2 to the financial statements which describes the basis of preparing these financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

(a) Mauritius Companies Act 2001

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

(b) Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.

Other Matters

This report is made solely to the member of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinion we have formed.

Grant Thornton
Chartered Accountants

Place: Ebene, Republic of Mauritius
Date: 20 May, 2014

Y NUBEE, FCCA
Licensed by FRC

STATEMENT OF FINANCIAL POSITION as at 31 March, 2014

	NOTES	2014	2013
		USD	USD
ASSETS			
Non-current			
Intangible assets	7	10,633,833	17,140,833
Property, plant and equipment	8	772,169	1,037,168
Investment in subsidiary	9	510,312	10,312
DEFERRED TAX ASSETS	19	9,143,897	7,715,976
Non-current assets		**21,060,211**	25,904,289
Current			
Receivables	10	2,815,545	1,851,043
Cash and cash equivalents	11	2,406,540	3,228,306
Current assets		**5,222,085**	5,079,349
Total assets		**26,282,296**	30,983,638
EQUITY AND LIABILITIES			
Equity			
Stated capital	12	52,000,000	52,000,000
Accumulated losses		(46,611,581)	(32,381,967)
Total equity		**5,388,419**	19,618,033
Liabilities			
Current			
Loans	13	20,000,000	10,000,000
Payables	14	893,877	1,365,605
Current liabilities		**20,893,877**	11,365,605
Total liabilities		**20,893,877**	11,365,605
Total equity and liabilities		**26,282,296**	30,983,638

Approved by the Board on 20.05.2014 and signed on its behalf by:

Rinsy Ansalam
Director

Ranapartab Tacouri
Director

Date: 20 May, 2014

The notes 1 to 24 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March, 2014

	NOTES	2014	2013
		USD	USD
Income	15	127,408	111,975
Operating costs	18	(12,538,752)	(12,900,248)
Administrative expenses	18	(2,270,596)	(1,913,198)
Finance income	16.1	30,072	68,755
Finance costs	16.2	(1,011,333)	(475,833)
Other financial items	17	5,666	(55,316)
Loss before tax	18	**(15,657,535)**	(15,163,865)
Tax credit	19	1,427,921	3,674,081
Loss for the year		**(14,229,614)**	(11,489,784)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year		**(14,229,614)**	(11,489,784)
Loss per share	20	(1.42)	(1.15)

The notes 1 to 24 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March, 2014

	Stated capital	Accumulated losses	Total
	USD	USD	USD
At 01 April 2013	**52,000,000**	**(32,381,967)**	**19,618,033**
Loss for the year	-	(14,229,614)	(14,229,614)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(14,229,614)	(14,229,614)
At 31 March 2014	**52,000,000**	**(46,611,581)**	**5,388,419**
At 01 April 2012	**52,000,000**	**(20,892,183)**	**31,107,817**
Loss for the year	-	(11,489,784)	(11,489,784)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(11,489,784)	(11,489,784)
At 31 March 2013	**52,000,000**	**(32,381,967)**	**19,618,033**

The notes 1 to 24 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS for the year ended 31 March, 2014

	2014	2013
	USD	USD
Operating activities		
Loss before tax	**(15,657,535)**	(15,163,865)
Adjustments for:		
Depreciation	317,148	316,659
Loss on disposal of property, plant and equipment	-	23,389
Amortisation of intangible assets	6,507,000	6,507,000
Interest income	(30,072)	(68,755)
Total adjustments	**6,794,076**	6,778,293
Net changes in working capital:		
Change in receivables	(964,502)	(69,558)
Change in payables	(471,728)	(80,448)
Total changes in working capital	(1,436,230)	(150,006)
Net cash used in operating activities	**(10,299,689)**	(8,535,578)
Investing activities		
Investments in subsidiary	(500,000)	-
Purchase of property, plant and equipment	(52,149)	-
Proceeds from disposal of property , plant and equipment	-	9,498
Interest received	30,072	68,755
Net cash (used in) /from investing activities	**(522,077)**	78,253
Financing activities		
Loan from shareholder	10,000,000	5,000,000
Net cash from financing activities	**10,000,000**	5,000,000
Net change in cash and cash equivalents	(821,766)	(3,457,325)
Cash and cash equivalents, beginning of the year	3,228,306	6,685,631
Cash and cash equivalents, end of the year	**2,406,540**	3,228,306
Cash and cash equivalents made up of:		
Cash in hand and at bank (Note 11)	**2,406,540**	3,228,306

The notes 1 to 24 form an integral part of these financial statements.

NOTES to financial statements for the year ended 31st March, 2014

1. General information and statement of compliance with IFRS

Bourse Africa Limited (formerly known as Global Board of Trade Ltd), the "Company", was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 18 December 2006 as a private company with liability limited by shares. The status of the Company changed from a private company to a public company on 31 January 2008. The Company's registered office is 1st Floor, Ebene House, 33 Cybercity, Ebene, Republic of Mauritius.

The principal activity of the Company is to operate a Multi-Asset Class Exchange in the Republic of Mauritius. The Company is licensed by the Financial Services Commission of Mauritius, the regulator for non-bank financial services sector.

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2. Basis of preparing the financial statements: going concern assumption

Since incorporation the Company relies on the financial support of its ultimate holding company as its level of activity does not generate sufficient cash to support the operations and to meet capital expenditure. Directors acknowledge the fact the "Exchange'' businesses are infrastructure-like projects and have a longer period to profitability. However, the ultimate holding company is implementing some strategic plans including a divestment plan.

The Board of directors of the Company has taken note of these strategic plans and have considered the relevant impact on the Company activities and future.

The ultimate holding company has in the meantime renewed its commitment to financially support the Company. The Company's directors have assessed the present situation and believe that there is a reasonable expectation that the Company will be able to continue operations in the foreseeable future and consequently it is still appropriate to prepare the financial statements on the going concern basis.

3. Application of new and revised international financial reporting standards

3.1 New and revised standards that are effective for the year beginning on 01 April 2013

In the current year, the following new and revised standards issued by the International Accounting Standards Board ("IASB") are mandatory for the first time for the financial year beginning on 01 April 2013:

IAS 27	Separate Financial Statements (Revised 2011)
IAS 28	Investments in Associates and Joint Ventures (Revised 2011)
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)
IFRSs 10, 11 and	12 Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
IFRS 1	Government Loans (Amendments to IFRS 1)
IAS 19	Employee Benefits (Revised 2011)

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards, amendments and interpretations is provided below.

IFRS 9	Financial Instruments
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
IAS 36	Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
IFRS 10, 12 and IAS 27	Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
IAS 32	Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
IAS 19	Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
IFRIC 21	Levies

4. Summary of accounting policies

4.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.2 Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments, are classified into loans and receivables.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets that are recognised in statement of comprehensive income are presented within finance costs, finance income or other financial items, except for impairment of receivables which is presented within administrative expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's most receivables and cash and cash equivalents fall into this category of financial instruments.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include loans and payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges on financial liabilities are included within 'finance income' or 'finance costs'.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

4.3 Investment in subsidiary

A parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The Company does not present consolidated financial statements as it is itself a wholly-owned subsidiary. The investment in subsidiary is therefore shown at cost in these separate financial statements. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged in profit or loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

4.4 Foreign currency

Functional and presentation currency

The financial statements are presented in USD, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

NOTES to financial statements for the year ended 31st March, 2014

4.5 Intangible assets

Intangible assets represent software licences for the Trading, Matching and Clearing Mechanism of the Multi-Asset Class Exchange (the "Exchange") and are amortised over their estimated useful lives of five years.

Residual values and useful lives are reviewed at each reporting date. In addition, all intangible assets are subject to impairment testing.

Acquired computer softwares are capitalised on the basis of the costs incurred to acquire and bring to use the specific softwares.

Costs associated with maintaining computer software programmes are expensed as incurred.

4.6 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. Property, plant and equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual values. The following useful lives are applied:

Improvement to leasehold building	-	33%
Furniture and fittings	-	10%
Office equipment	-	10%
Computers and information system	-	16.21%

No depreciation is charged on items of property, plant and equipment which are not yet in use and also on items not yet received and for which payments have already been made.

All repairs and maintenance are expensed.

Where the carrying amount of an asset is greater than its estimated amount, it is written down immediately to its recoverable amount. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

The assets' residual values, useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each reporting date.

4.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and at bank and demand deposits, together with other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4.8 Equity and reserves

Stated capital represents the nominal values of shares that have been issued.

Accumulated losses include all the current and prior periods results.

4.9 Revenue recognition

Trading commission fees are recognised on the date of transaction in the market.

Admission fees collected from prospective members prior to joining the Exchange are recognised as advances from members. Advances against membership application are only recognised as income when the application has been approved.

Invoices for annual fees are raised on a half yearly basis and on an accrual basis.

Interest income is recorded on an effective yield basis unless collectibility is in doubt.

Dividend income is recognised when the right to receive payment is established.

4.10 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

4.11 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax, current tax and CSRF (Corporate Social Responsibility Fund) not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The Company is subject to Corporate Social Responsibility Fund (CSRF) and the contribution is at a rate of 2% on the chargeable income of the preceding financial year.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss.

4.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. All known risks at reporting date are reviewed in detail and provision is made where necessary.

4.13 Related parties

A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

4.14 Impairment of assets

At each reporting date the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

4.15 Leased assets

Operating leases

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.16 Employee benefits

Contributions to the National Pension Scheme and Medical Aid Scheme are expensed in the period in which they fall due.

4.17 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

4.18 Significant management judgements in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which the deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the USD.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Useful lives of depreciable assets

The management reviews its estimate of the useful lives of depreciable assets at each reporting, date based on the expected utility of the assets. The carrying amounts are analysed in Notes 7 and 8. Uncertainties in these estimates are on account of technical obsolescence, that may change particularly the utility of the software and IT equipment.

NOTES to financial statements for the year ended 31st March, 2014

5. Financial instrument risk

Categories of Financial Instruments

Risk management objectives and policies

The Company's is exposed to various risks in relation to financial risk instruments. The main types of risks are market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

	2014 USD	2013 USD
Financial assets		
Loans and receivables:		
Receivables	1,169,029	100,204
Cash and cash equivalents	2,406,540	3,228,306
	3,575,569	3,328,510
Financial liabilities		
Current:		
Payables	20,018,694	10,014,052
Other payables	707,074	247,466
	20,725,768	10,261,518

The Company's risks are managed at the level of the Board of Directors with the assistance of line managers.

The most significant financial risks to which the Company is exposed are described below.

5.1 Market risk analysis

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, which result from both its operating and investing activities.

Foreign currency sensitivity

The Company has financial assets and liabilities denominated in foreign currencies. However, the risk to any foreign exchange movement is minimal since the Company transacts mainly in USD.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to management translated into USD at the closing rate:

	Financial assets 2014	Financial liabilities 2014	Financial assets 2013	Financial liabilities 2013
	USD	USD	USD	USD
Mauritian Rupee (MUR)	227,905	110,491	419,238	188,624

The following table illustrates the sensitivity of loss and equity in regards to the Company's financial assets and financial liabilities and the MUR/USD exchange rate, "all other things being equal".

It assumes a 3% change of the MUR/USD exchange rate for the year ended 31 March 2014 (2013: MUR/USD 7%). This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the USD had strengthened against the MUR by 3 % (2013: 7%) then this would have the following impact:

	Loss for the year	
	2014	2013
	USD	USD
MUR	3,522	16,865
	Equity	
	2014	2013
	USD	USD
MUR	(3,522)	(16,865)

If the USD had weakened against the MUR by 3% (2013: 7%) then this would have the following impact:

	Loss for the year	
	2014	**2013**
	USD	**USD**
MUR	(3,522)	(16,865)

	Equity	
	2014	**2013**
	USD	**USD**
MUR	3,522	16,865

Interest rate sensitivity

The Company has interest bearing financial assets in the form of cash and cash equivalents. The impact of changes in interest rates on the interest income derived from these cash and cash equivalents is not significant.

The Company's interest bearing financial liabilities are in the form of loan from its holding company and on which the interest is based on the market interest rates. A 0.25% increase/ (decrease) of interest rate would (decrease)/increase net loss for the year by approximately USD 50,000 (2013: USD 25,000).

5.2 Credit risk analysis

Credit risk refers to the risk that counterparty will default on its obligations resulting in financial loss to the Company. The Company has, as far as it is practicable, significantly tightened its credit policy so as to deal with counterparties whom it believes are creditworthy in order to reduce the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2014	**2013**
	USD	**USD**
Current assets		
Receivables	1,169,229	100,204
Cash and cash equivalents	2,406,540	3,228,306
Total	**3,575,769**	3,328,510

The Company does not have significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics.

The credit risk for the bank balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

5.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages its liquidity needs by carefully monitoring its cash outflows due in day-to-day business.

The following are the contractual maturities of financial liabilities, including interest payments where applicable.

	Carrying amount	**Contractual cash flows**	**Less than one year**	**1-5 Years**
31 March 2014	**USD**	**USD**	**USD**	**USD**
Loan from holding company	20,000,000	21,200,000	21,200,000	-
Payables	725,767	725,767	725,767	-
Total	**20,725,767**	**21,925,767**	**21,925,767**	**-**

	Carrying amount	**Contractual cash flows**	**Less than one year**	**1-5 Years**
31 March 2013	**USD**	**USD**	**USD**	**USD**
Loan from holding company	10,000,000	10,600,000	10,600,000	-
Payables	261,518	261,518	261,518	-
Total	**10,261,518**	**10,861,518**	**10,861,518**	**-**

NOTES to financial statements for the year ended 31st March, 2014

6. Fair value measurement

6.1 Financial instruments measured at fair value

The Company's financial assets and financial liabilities are measured at their carrying amounts which approximate their fair values.

6.2 Fair value measurement of non-financial assets and financial liabilities

The Company's non-financial assets consist of intangible assets, property, plant and equipment, investment in subsidiary, prepayments and deferred tax. Its non-financial liabilities consists principally of members' deposits.

For both non-financial assets and non-financial liabilities fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position.

6.3 Capital management policies and procedures

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to its shareholder by pricing services commensurately with the level of risk.

The Company's capital is managed at the level of ultimate holding company and the capital structure is adjusted or maintained by the issue of new shares.

The directors consider that the Company is not geared as all its borrowings are from the immediate holding company.

7. Intangible assets

	Computer Software USD
Cost	
At 01 April 2013 and at 31 March 2014	32,535,000
Amortisation	
At 01 April 2013	15,394,167
Charge for the year	6,507,000
At 31 March 2014	**21,901,167**
Net book values	
At 31 March 2014	**10,633,833**
Cost	
At 01 April 2012 and 31 March 2013	32,535,000
Amortisation	
At 01 April 2012	8,887,167
Charge for the year	6,507,000
At 31 March 2013	15,394,167
Net book values	
At 31 March 2013	**17,140,833**

8. Property, plant and equipment

	Improvement to leasehold building	Furniture & fittings	Office equipment	Computers and information system	Total
	USD	USD	USD	USD	USD
Cost					
At 01 April 2013	398,536	212,303	492,097	1,467,833	2,570,769
Additions	-	-	-	52,149	52,149
At 31 March 2014	**398,536**	**212,303**	**492,097**	**1,519,982**	**2,622,918**
Depreciation					
At 01 April 2013	397,318	93,415	183,439	859,429	1,533,601
Charge for the year	1,218	21,231	49,112	245,587	317,148
At 31 March 2014	**398,536**	**114,646**	**232,551**	**1,105,016**	**1,850,749**
Net book values					
At 31 March 2014	**-**	**97,657**	**259,546**	**414,966**	**772,169**

	Improvement to leasehold building	Furniture & fittings	Office equipment	Computers and information system	Motor vehicles	Total
	USD	USD	USD	USD	USD	USD
Cost						
At 01 April 2012	398,536	212,303	492,323	1,467,833	56,972	2,627,967
Disposals	-	-	(226)	-	(56,972)	(57,198)
At 31 March 2013	**398,536**	**212,303**	**492,097**	**1,467,833**	**-**	**2,570,769**
Depreciation						
At 01 April 2012	391,009	72,185	134,255	621,494	22,310	1,241,253
Charge for the year	6,309	21,230	49,286	237,935	1,899	316,659
Disposals adjustment	-	-	(102)	-	(24,209)	(24,311)
At 31 March 2013	**397,318**	**93,415**	**183,439**	**859,429**	**-**	**1,533,601**
Net book values						
At 31 March 2013	**1,218**	**118,888**	**308,658**	**608,404**	**-**	**1,037,168**

9. Investment in subsidiary

9.1 At cost

	2014	2013
	USD	USD
At 01 April 2013	10,312	10,312
Additions during the year	500,000	-
At 31 March 2014	**510,312**	10,312

9.2 Details pertaining to the investment are as follows:

Name of investee company	Country of incorporation	Type of shares	% holding	2014 Cost USD	2013 Cost USD
Bourse Africa Clear Ltd	Republic of Mauritius	Ordinary shares	100	510,312	10,312

9.3 The Company has taken advantage of paragraph 4 of IFRS 10 - Consolidated Financial Statements, which dispenses it from the need to present consolidated financial statements as its holding company presents consolidated financial statements available for public use that comply with International Financial Reporting Standards. The registered address of the holding company is C/o Kross Border, St Louis Business Centre, Cnr Desroches/St Louis Streets, Port Louis, Republic of Mauritius.

9.4 The investment is stated at cost which is a reflection of the fair value.

NOTES to financial statements for the year ended 31st March, 2014

10. Receivables

	2014	2013
	USD	USD
Due from related parties	1,061,029	10,407
Deposits	51,767	50,364
Other receivables	56,433	39,433
Financial assets	**1,169,229**	100,204
Prepayments	1,146,052	1,330,826
Deposits	6,045	8,352
Other receivables	8,594	6,490
VAT recoverable	485,625	405,171
Non-financial assets	**1,646,316**	1,750,839
Total	**2,815,545**	1,851,043

The amounts due from the related parties are unsecured, interest free and receivable within one year.

The carrying amounts of receivables are considered to be a reasonable approximation of the fair values.

11. Cash and cash equivalents

	2014	2013
	USD	USD
Cash at bank:		
USD	2,265,643	2,882,842
MUR	139,865	344,121
Cash in hand	1,032	1,343
Total	**2,406,540**	3,228,306

12. Equity

12.1 Stated capital

	2014		2013	
	Number	USD	Number	USD
Equity shares: Ordinary shares of USD 0.10 each	10,000,000	1,000,000	10,000,000	1,000,000
Optionally convertible preference shares: Shares of USD 0.10 each	510,000,000	51,000,000	510,000,000	51,000,000
Total	**520,000,000**	**52,000,000**	**520,000,000**	**52,000,000**

The terms and conditions of the Optionally Convertible Preference Shares (OCPS) are as follows:

- The shares will carry a fixed rate of 5 percent dividend and the dividend will be non-cumulative.
- The shares have no voting rights except on resolutions that affect their rights.
- no dividend will be paid to the ordinary shareholder unless the dividend is paid to the preference shareholder.
- The preference shareholder will have preference over the ordinary shareholder in the event of payment of capital/liquidation.
- no adjustment will be made for the preference shareholder in the event of any corporate actions, bonus and right issue.
- The preference shares shall be redeemed at the option of the OCPS holder and the redemption is within a period of 20 years of the allotment of the first OCPS (that is, within 20 years from 27 December 2006).
- The holder of the OCPS shall have the right to seek conversion of the OCPS at any time from the date of issue. Each OCPS will be redeemed at a premium of 10 percent on redemption. No premium will be payable to the holder of the OCPS on conversion of the OCPS into ordinary shares.
- The OCPS holder will give at least 15 days time to the Company for exercising the option of conversion/redemption.

13. **Loans**

	2014	2013
	USD	**USD**
At 01 April	10,000,000	5,000,000
Funds received during the year	10,000,000	5,000,000
At 31 March	**20,000,000**	10,000,000

The loan from the holding company bears interest at the rate of 6% (2013: LIBOR +4.75%) per annum, is unsecured and repayable within one year.

14. **Payables**

	2014	2013
	USD	**USD**
Other payables and accruals	725,767	261,518
Advance from prospective members	168,110	170,988
Deposit from members	-	933,099
Total	**893,877**	1,365,605

The average credit period is 30 days. No interest is charged on overdue balances. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The carrying amounts of payables are considered to be a reasonable approximation of the fair values.

The deposit from members is for the Settlement Guaranteed Fund and which is refundable to the members and is split between:

	2014	2013
	USD	**USD**
Currency Segment	-	651,409
Commodity Segment	-	281,690
Total	**-**	933,099

During the year, the deposit has been transferred to Bourse Africa Clear Ltd, the clearing house of the Company, which has been incorporated pursuant to regulatory requirement.

15. **Income**

Income is made up of the following components:

	2014	2013
	USD	**USD**
Trading commission income	47,868	9,330
Annual fees	24,540	42,645
Membership admission fees	55,000	60,000
Total	**127,408**	111,975

16. **Finance income/ (cost)**

	2014	2013
	USD	**USD**
16.1 Finance income		
Interest on fixed deposits	30,072	68,755
16.2 Finance costs		
Interest on loan	(1,011,333)	(475,833)

NOTES to financial statements for the year ended 31st March, 2014

17 Other financial items

	2014	2013
	USD	USD
Net foreign exchange gain/ (losses)	5,666	(55,316)

18. Loss before tax

	2014	2013
	USD	USD
The loss before tax is arrived at after charging/(crediting) the following:		
Included in operating costs:		
Other IT expenses	4,831,682	5,112,333
Amortisation of intangible assets	6,507,000	6,507,000
Staff costs	1,127,274	1,186,616
Included in administrative expenses:		
Business development costs	1,004,936	475,380
Depreciation of property, plant and equipment	317,148	316,659
Net foreign exchange (gain) /losses	(5,666)	55,316
Auditors' remuneration	6,970	6,460
Staff costs	327,068	369,244

18.1 Analysis of staff costs:

	2014	2013
	USD	USD
Salaries and allowances	1,418,839	1,528,268
Social security costs and other contributions	35,503	27,592
Total	**1,454,342**	1,555,860
Number of employees at end of the year	37	36

19. Taxation

19.1 Income tax expense

The Company is liable to income tax at the rate of 15% and at 31 March 2014, it had no income tax liability due to tax losses of USD 64,908,771 (2013: USD 55,075,501) carried forward. The Company is not subject to any Alternative Minimum Tax (AMT) at 31 March 2014.

The Company had no liability towards the CSRF as at 31 March 2014.

	2014	2013
	USD	USD
Statement of comprehensive income		
Deferred tax movement	(1,427,921)	(3,674,081)
Tax credit	(1,427,921)	(3,674,081)
Statement of financial position		
Deferred tax assets	9,143,897	7,715,976

Income tax reconciliation

The tax credit on the Company's loss before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2014	2013
	USD	USD
Loss before tax	15,657,535	(15,163,865)
Tax at 15%	(2,348,630)	(2,274,580)
Non-allowable expenses	1,024,589	1,027,057
Annual allowances	(1,070,692)	(728,137)
Deferred tax on accelerated capital allowances	47,070	(1,698,421)
Tax losses utilised during the year	919,742	-
Tax credit	**(1,427,921)**	(3,674,081)

19.2 Deferred tax assets

Deferred income taxes are calculated on all temporary differences under the liability method at the rate of 15%.

	2014	2013
	USD	USD
At 01 April	(7,715,976)	(4,041,895)
Movement during the year	(1,427,921)	(3,674,081)
At 31 March	**(9,143,897)**	(7,715,976)

The deferred tax assets are made up of:

	2014	2013
	USD	USD
Accelerated capital allowances	47,070	(1,698,421)
Unutilised tax losses	(2,394,733)	(1,975,660)
Tax losses utilised during the year	919,742	-
Tax credit	**(1,427,921)**	(3,674,081)

20. Loss per share

The calculation of loss per share is based on the loss for the year of USD 14,229,614 (2013: USD 11,489,784) and on 10,000,000 ordinary shares in issue and ranking for dividend for the two years ended 31 March 2014.

21. Operating lease agreements

Leasing agreements

Operating leases relate to office and accommodation facilities with lease terms of 1 to 3 years renewable at the option of the lessee. The operating lease contracts contain market review clauses in the event that the Company exercises its option to renew. The Company does not have an option to purchase the leased assets at the expiry of the lease period.

21.1 Payments recognised as an expense

	2014	2013
	USD	USD
Minimum lease payments	263,099	263,099

Rental expenses amounting USD 6,591 (2013: USD 25,242) have been included in salaries and allowances as they represent staff benefits.

21.2Operating lease commitments

	2014	2013
	USD	USD
Not longer than 1 year	233,366	176,958
Longer than 1 year and not longer than 5 years	179,525	-
	412,891	176,958

22. Related party transactions

During the year ended 31 March 2014, the Company had transactions with its related parties. The nature, volume of transactions and balances are as follows:-

Nature of relationship	Nature of transactions	Volume of transactions USD	Debit/(credit) balances at 31 March 2014 USD	Debit/(credit) balances at 31 March 2013 USD
Subsidiary	Financing	20,945	29,474	8,529
Subsidiary	Loan (Note 10)	1,001,716	1,001,716	
Group company	Written off of expenses	2,453	-	1,878
Group company	Consultancy fees	65,301	-	(65,157)
Group company	Consultancy fees	400,000	-	-
Group company	Travelling & conveyance	29,839	29,839	-
Holding company	Loan (Note 13)	10,000,000	(20,000,000)	(10,000,000)
Holding company	Interest payable	300,000	(300,000)	-
Holding company	Interest expense	711,333	-	-
Ultimate holding company	Software support	64,718	(64,718)	-
Ultimate holding company	Maintenance costs of software	4,457,550	-	-
Ultimate holding company	Business development costs	1,553	(1,553)	-
Ultimate holding company	Travelling & conveyance	96,303	(96,303)	-
Key management personnel	Remuneration	244,769	-	-
Key management personnel	Termination benefits	6,198	(10,314)	(4,116)
Key management personnel	Staff loans	36,520	34,379	7,556

23. Holding and ultimate holding companies

The directors regard FT Group Investments Pvt. Ltd, a company incorporated in the Republic of Mauritius, as the Company's immediate holding company and Financial Technologies (India) Limited, a listed company incorporated in the Republic of India, as the Company's ultimate holding company.

24. Event after the reporting date

The directors have taken notice of the developments at the level of the ultimate holding company, particularly in respect of the NSEL issue and concluded that such developments do not affect the Company.

AUDITORS' REPORT for the year ended 31 march, 2014

Auditors' Report

We have audited the accounts of Bourse Africa Clear Ltd, the "Company", for the period 14 February 2013 (date of incorporation)to 31 March 2014.

In our opinion, the accounts give a true and fair view of the financial position of the Company for the period ended 31 March 2014 and of its financial performance for the period then ended in accordance with the Mauritius Companies Act 2001 and International Financial Reporting Standards, as appropriate.

Grant Thornton
Chartered Accountants

Y NUBEE, FCCA
Licensed by FRC

Date: 20 May, 2014
Ebene, Republic of Mauritius

STATEMENT OF COMPREHENSIVE INCOME

for the period from 14 February 2013 (date of incorporation) to 31 March 2014

	(in US$)
Income	-
Administrative expenses	(25,715)
Finance income	1,721
Finance costs	(1,716)
Other financial loss	(107)
Loss before taxation	**(25,817)**
Tax expense	-
Loss for the period	**(25,817)**
Other comprehensive income:	
Items that will not be reclassified subsequently to profit or loss	-
Items that will be reclassified subsequently to profit or loss	-
Other comprehensive income for the period, net of tax	**-**
Total comprehensive loss for the period	**(25,817)**

STATEMENT OF FINANCIAL POSITION As at 31 March 2014

	(in US$)
ASSETS	
Current assets	
Receivables	6,089
Cash and bank balances	2,639,980
Total assets	**2,646,069**
EQUITY AND LIABILITIES	
Capital and reserves	
Stated capital	510,312
Loss for the period	(25,817)
Total equity	**484,495**
Current liabilities	
Loan from holding company	1,001,979
Payables and accruals	1,159,595
Total liabilities	**2,161,574**
Total equity and liabilities	**2,646,069**

Approved by the Board of Directors on 20 May, 2014 and signed on its behalf by:

Rinsy Ansalam
Director

Prashant Desai
Director

DIRECTORS' REPORT for the year ended 31 March, 2014

The Board of Directors of Bahrain Financial Exchange B.S.C. (closed) (the "Company") and its subsidiary (together the "Group") has great pleasure in presenting the annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2014.

Principal activities

The principal activity of the Company is securities and financial instruments exchange and trading system operators.

Financial Highlights

The total income of the Group for the year ended 31 March 2014 was BD60,049 as compared to previous year's income of BD52,887. The Group has incurred a loss of BD6,075,968 for the year ended 31 March 2014 as compared to loss of BD6,812,466 in the year 2013.

Directors and Management

The following served as Directors and were in charge of the Management of the Group during the year ended 31 March 2014:

Jignesh Shah	-	Chairman (until 14 January 2014)
Arshad Khan	-	CEO & Managing Director
Lambertus (Lamon) Rutten	-	Chairman (from 6 February 2014)
Joseph Massey	-	Director (until 17 September 2013)
Tawfiq Al Alawi	-	Director

Auditors

The consolidated financial statements have been audited by Grant Thornton - Abdulaal who have expressed their willingness and considered themselves eligible for re-appointment.

The Directors take this opportunity to place on record their sincere appreciation to the staff for their loyalty and dedication, which has greatly helped to maintain the reputation and results of the Group.

On behalf of the Board of Directors

Arshad Khan
CEO & Managing Director

Lambertus (Lamon) Rutten
Chairman

23 May 2014
Manama, Kingdom of Bahrain

INDEPENDENT AUDITORS' REPORT

To the Shareholders of

Bahrain Financial Exchange B.S.C. (closed)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Bahrain Financial Exchange B.S.C. (closed)** (the **"Company"**) and its subsidiary (together the "**Group**"), which comprise the consolidated statement of financial position as at 31 March 2014, and the related consolidated statements of comprehensive income, changes in equity and the cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2014, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 2 to the consolidated financial statements which raise significant doubt about the Group's ability to continue as a going concern. However, the Shareholders have confirmed their willingness to extend financial support to the Group, based on which the management has assumed that the Group will continue to operate as a going concern.

Other Matter

The consolidated financial statements of the Group for the year ended 31 March 2013, were audited by another auditor who expressed an unmodified opinion on those statements on 28 May 2013.

Report on Other Legal and Regulatory Requirements

As required by the Bahrain Commercial Companies Law and the Central Bank of Bahrain (CBB) Rule Book (Volume 6), we report that the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith; the financial information contained in the report of the Board of Directors is consistent with the consolidated financial statements; we are not aware of any violations of the Bahrain Commercial Companies Law or the terms of the Company's memorandum and articles of association having occurred during the year that that might have had a material effect on the business of the Group or in its consolidated financial position and satisfactory explanations and information have been provided to us by the management in response to all our requests. However, as disclosed in Note 1.1 to the consolidated financial statements, we have observed certain matters which are highlighted below relevant to the CBB Rule Book (Volume 6 and CBB Directives), the CBB Capital Markets Regulations and associated resolutions.

1. Non-payment of annual license fee.
2. Non-submission of quarterly reviewed consolidated financial statements.
3. Non-submission of online non-financial information update on a quarterly basis.

23 May 2014
Manama, Kingdom of Bahrain

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31st March, 2014

(Bahraini dinars)

	Notes	31st March 2014	31st March 2013
Assets			
Non-current assets			
Plant and equipment	4	**4,991,129**	7,583,584
Current assets			
Prepayments and other receivables	5	58,326	244,906
Cash and cash equivalents	6	967,265	2,860,957
		1,025,591	3,105,863
Total assets		**6,016,720**	10,689,447
Equity and Liabilities			
Equity			
Equity attributable to owners of the parent:			
Share capital	11	18,800,000	18,800,000
Accumulated losses		(21,569,404)	(15,494,147)
		(2,769,404)	3,305,853
Accumulated losses		1,606	2,317
Total equity		**(2,767,798)**	3,308,170
Liabilities			
Non-current liabilities			
Employees' terminal benefits	10	**59,533**	52,204
Current liabilities			
Accruals and other payables	7	445,029	2,629,073
Loan from related party	8	8,271,993	4,700,000
Amount due to related party	9	7,963	-
		8,724,985	7,329,073
Total liabilities		**8,784,518**	7,381,277
Total equity and liabilities		**6,016,720**	10,689,447

These consolidated financial statements were approved by the Board of Directors on 23 May 2014 and signed on its behalf by:

Arshad Khan
CEO & Managing Director

Lambertus (Lamon) Rutten
Chairman

The accounting policies and the notes 1 to 20 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31st March, 2014

(Bahraini dinars)

	Notes	31st March 2014	31st March 2013
Income			
Membership fees		25,355	20,680
Income from training academy		-	11,751
Processing fees		-	94
Other income	13	34,694	20,362
		60,049	52,887
Expenses			
Staff costs		(655,763)	(831,394)
Rent		(178,573)	(243,449)
Depreciation	4	(2,516,702)	(2,551,545)
Other operating expenses	14	(2,311,876)	(3,062,984)
Finance costs		(473,103)	(175,981)
		(6,136,017)	(6,865,353)
Loss for the year transferred to accumulated losses		**(6,075,968)**	(6,812,466)
Loss for the year attributable to:			
Owners of the parent		(6,075,257)	(6,811,653)
Non-controlling interest		(711)	(813)
		(6,075,968)	(6,812,466)

These consolidated financial statements were approved by the Board of Directors on 23 May 2014 and signed on its behalf by:

Arshad Khan
CEO & Managing Director

Lambertus (Lamon) Rutten
Chairman

The accounting policies and the notes 1 to 20 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March, 2014

(Bahraini dinars)

	Share capital	Accumulated losses	Total equity attributable to owners of the parent	Noncontrolling interest	Total equity
At 1 April 2012	18,800,000	(8,682,494)	10,117,506	3,130	10,120,636
Loss for the year	-	(6,811,653)	(6,811,653)	(813)	(6,812,466)
At 31 March 2013	**18,800,000**	**(15,494,147)**	**3,305,853**	**2,317**	**3,308,170**
At 1 April 2013	18,800,000	(15,494,147)	3,305,853	2,317	3,308,170
Loss for the year	-	(6,075,257)	(6,075,257)	(711)	(6,075,968)
At 31 March 2014	**18,800,000**	**(21,569,404)**	**(2,769,404)**	**1,606**	**(2,767,798)**

The accounting policies and the notes 1 to 20 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31st March, 2014

(Bahraini dinars)

	Year ended 31 March 2014	Year ended 31 March2013
Operating activities		
Loss for the year	(6,075,968)	(6,812,466)
Adjustments for:		
Depreciation	2,516,702	2,551,545
Loss/(gain) on disposal of plant and equipment	64,829	(115)
Provision for employees' terminal benefits	25,270	28,388
Interest income	(5,860)	(3,247)
Finance costs	473,103	175,981
Operating loss before working capital changes	(3,001,924)	(4,059,914)
Changes in operating assets and liabilities:		
Change in prepayments and other receivables	186,580	(144,496)
Change in accruals and other payables	(2,308,125)	1,964,550
Change in amount due to related party	7,963	-
Payments of employees' terminal benefits	(17,941)	(8,565)
Net cash used in operating activities	**(5,133,447)**	(2,248,425)
Investing activities		
Proceeds from disposal of plant and equipment	10,924	1,852
Interest received	5,860	3,247
Net cash generated from investing activities	**16,784**	5,099
Financing activities		
Proceeds from loan from related party –net	3,571,993	3,196,000
Finance cost paid	(349,022)	(175,981)
Net cash generated from financing activities	**3,222,971**	3,020,019
Net change in cash and cash equivalents	(1,893,692)	776,693
Cash and cash equivalents, beginning of the year	2,860,957	2,084,264
Cash and cash equivalents, end of the year	**967,265**	2,860,957
Comprises		
Cash in hand	774	2,011
Bank balances	586,369	2,399,738
Short term deposits	380,122	459,208
	967,265	2,860,957

The accounting policies and the notes 1 to 20 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31st March, 2014

1 ORGANISATION AND ACTIVITIES

Bahrain Financial Exchange B.S.C. (closed) (the “Company”) is a closed Bahrain Joint Stock Company registered in the Kingdom of Bahrain with the Ministry of Industry and Commerce under commercial registration number 69910-1 dated 18 September 2008. The Company’s Ultimate Holding Company is Financial Technologies (India) Ltd.

On 18 October 2010, the Central Bank of Bahrain (CBB) issued a license to the Company to operate as an exchange in the Kingdom of Bahrain.

The principal activity of the Company is securities and financial instruments exchange and trading system operators.

The Company’s registered office is situated in the Kingdom of Bahrain.

The Company has the following subsidiary:

Subsidiary	Country of incorporation	Ownership interest	Year end	Principal activity
BFX Clearing and Depository Corporation B.S.C. (closed)	Bahrain	99.9%	31 March	The Company is providing settlement, clearing and depository of financial instruments.

1.1 Matters related to CBB rulebook 6

Below are certain matters related to the provision of CBB rulebook 6 and the actions initiated by the Management to notify the position of the Company:

- Payment of annual license fee: The Company has not received invoice from CBB or notification from CBB for the annual license fee. However, the Company has made a provision for the same.
- Submission of quarterly reviewed consolidated financial statements: Management of the Company sent a letter to the CBB on 26 June 2013 informing that the Company is not in a position to submit the same due to the proposed strategic realignment of operations of the Company.
- Submission of online non-financial information update on a quarterly basis. Management of the Company sent a letter to the CBB on 26 June 2013 informing that the Company is not in a position to submit the same due to the proposed strategic realignment of operations of the Company.

2 GOING CONCERN ASSUMPTION

The Group has incurred a loss of BD6,075,968 for the year ended 31 March 2014, it has accumulated losses of BD21,569,404 as at 31 March 2014 and as of that date, its current liabilities exceeded its current assets by BD7,699,394. These factors raise substantial doubt about the Group’s ability to continue as a going concern without the financial support of the Ultimate Holding Company. However, the Ultimate Holding Company have confirmed their willingness to extend financial support to the Group, based on which the management has assumed that the Group will continue to operate as a going concern.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The Group’s consolidated financial statements have been prepared on basis of historical cost. The Group’s consolidated financial statements are presented in Bahrain Dinars. All values are rounded to the nearest Bahrain Dinar.

3.2 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in conformity with the Bahrain Commercial Companies Law and the Central Bank of Bahrain and Financial Industries Law 2006, the capital markets regulations set out in volume 6 of the capital markets Rule Book by the Central Bank of Bahrain.

3.3 New and revised standards that are effective for annual periods beginning on or after 1 April 2013

A number of new and revised standards are effective for annual periods beginning on or after 1 April 2013. Information on these new standards is presented below:

- IAS 1, “Presentation of items of Other Comprehensive Income (Amendments to IAS 1)” (effective for annual periods beginning on or after 1 July 2012);
- IFRS 1, “Government Loans (Amendments to IFRS 1)” (effective for annual periods beginning on or after 1 January 2013);

- IFRS 7, "Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)" (effective for annual periods beginning on or after 1 January 2013);
- IFRS 11, "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013);
- IFRS 12, "Disclosure of Interest in Other Entities" (effective for annual periods beginning on or after 1 January 2013);
- IFRS 13, "Fair Value Measurement" (effective for annual periods beginning on or after 1January 2013);
- IAS 19, "Employee Benefits (Revised 2011)" (effective for annual periods beginning on or after 1 January 2013);
- "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)"

  (effective for annual periods beginning on or after 1 January 2013);
- IAS 27, "Separate Financial Statements" - consequential amendments (effective for annualperiods beginning on or after 1 January 2013);
- Annual Improvements to IFRS 2009-2011 cycle - "IFRS1 First-time Adoption of International Financial Reporting Standards- repeated application of IFRS1 and Borrowing Costs" (effective for annual periods beginning on or after 1 January 2013);
- Annual Improvements to IFRS 2009-2011 cycle - "IAS 1 Presentation of Financial Statements-clarification requirements for comparative information" (effective for annual periods beginning on or after 1 January 2013); and
- Annual Improvements to IFRS 2009-2011 cycle - "IAS 16 Property, Plant and Equipment-Classification of servicing equipment" (effective for annual periods beginning on or after 1 January 2013).

Management does not expect the above standards to have a material effect on the Group's consolidated financial position and consolidated results of its operations.

3.4 Standards effective and not relevant to the Group

Certain other new standards and interpretations have been issued but are not relevant to the Group and have no material effect on the Group's consolidated financial position and its consolidated results of operation.

- IFRS 10, "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013);
- IAS 28, "Investments in Associates and Joint Ventures" - consequential amendments

  (effective for annual periods beginning on or after 1 January 2013);
- IFRIC 20, "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods beginning on or after 1 January 2013);
- Annual Improvements to IFRS 2009-2011 cycle - "IAS 32 Financial instruments: Presentation- Tax effect of distribution to holders of equity instruments" (effective for annual periods beginning on or after 1 January 2013); and
- Annual Improvements to IFRS 2009-2011 cycle - "IAS 34 Interim Financial Reporting –Interim financial reporting and segment information for total assets and liabilities" (effective for annual periods beginning on or after 1 January 2013).

3.5 Standards and interpretations not yet effective

Certain other new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Group.

- IAS 32, "Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)"

  (effective for annual periods beginning on or after 1 January 2014);
- IFRS 10, IFRS 12 and IAS 27, "Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)" (effective for annual periods beginning on or after 1 January 2014);
- IFRIC 21, "Levies" (effective for annual periods beginning on or after 1 January 2014);
- IAS 36, "Recoverable amount disclosures for non-financial assets (Amendments to IAS 36)"

  (effective for annual periods beginning on or after 1 January 2014);
- IAS 39, "Novation of derivatives and continuation of hedge accounting (Amendments to IAS 39)" (effective for annual periods beginning on or after 1 January 2014);
- IAS 19, "Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)" (Amendments to IAS 39)" (effective for annual periods beginning on or after 1 July 2014); and
- IFRS 9, "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015).

Management does not expect the above standards to have a material effect on the Group's consolidated financial position and consolidated results of its operations.

NOTES to Consolidated financial statements for the year ended 31st March, 2014

3.6 Basis of consolidation

The Group's consolidated financial statements consolidate those of the parent company and its subsidiary undertaking drawn up to 31 March 2014. Subsidiary is an entity over which the Company has the power to control the financial and operating policies. The Company obtains and exercises control through 99.9% ownership. The subsidiary has a reporting date of 31 March 2014.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of the subsidiary's profit or loss and net assets that is not held by the parent Company. The Group attributes total comprehensive income or loss of subsidiary between the owners of the parent and the noncontrolling interests based on their respective ownership interests.

3.7 Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of the plant and equipment includes the cost of bringing them to their present location and condition. The cost of replacing part of an item of plant and equipment is recognised in carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. All other cost are recognised in the consolidated statement of comprehensive income as expenditure incurred.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and equipment. The estimated useful lives of plant and equipment for the depreciation purpose are as follows:

Furniture and fixtures	5 years
Computer and other equipment	5 years
Software and licenses	5 years

Gains or losses arising on the disposal of plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the consolidated statement of comprehensive income.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

3.8 Impairment of assets

The carrying amount of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds it's estimated recoverable amount. Recoverable amount is higher of fair value less cost to sell and value in use. All impairment losses are recognised in the consolidated statement of comprehensive income. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been change in the estimates used to determine the recoverable amount.

3.9 Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and short term deposits.

3.10 Provisions

Provisions are recognised by considering an obligation of the Group as on date resulting from past events, and where it is probable that such obligation will result in outflow of economic resources and amount can be reliably estimated.

3.11 Employees' terminal benefits

Employees' terminal benefits and entitlements to annual leave, holiday, air passage and other short term benefits are recognized as they accrue to the employees. The Group contributes to the pension scheme for Bahraini nationals administered by the General Organisation for Social Insurance in the Kingdom of Bahrain. The Group's share of contribution to this funded scheme which is defined contribution scheme under IAS-19 - Employee benefits, is recognised as an expense in the consolidated statement of comprehensive income.

The expatriate employees of the Group are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Laws for private sector 2012, based on length of service and final salary. Provision for this, which is unfunded and which represent a defined benefit plan under IAS-19 has been made by calculating the notional liability had all employees left at the reporting date. The provision is classified as a non-current liability in the consolidated statement of financial position.

3.12 Revenue recognition

Revenue is recognized upon the rendering of services. Revenue represents the invoice value of services rendered, net of discount.

3.13 Other income

Other income is recognised on an accrual basis or when the Group's right to receive payment is established.

3.14 Foreign currency transactions

Transactions in foreign currencies are translated into Bahraini Dinars and recorded at the appropriate rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Bahraini Dinars at the exchange rates prevailing at the consolidated financial position date. The resultant exchange gains and losses are recognized in the consolidated statement of comprehensive income.

3.15 Financial instruments

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and liabilities are measured subsequently as described below:

a. Financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

Loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents and other receivables fall into this category of financial instruments.

b. Financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in the consolidated statement of comprehensive income. The Group's financial liabilities include accruals and other payables, loan from related party and amount due to related party.

3.16 Significant accounting judgments and estimates

The Group's consolidated financial statements prepared under IFRS require the Group to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Future events may occur which may cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the Group's consolidated financial statements as they become reasonably determinable.

a. Judgments

Judgment and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Leases. In applying the classification of leases, management considers its office leases as operating lease arrangement since the substantial risks and rewards incidental to ownership are not passed to the Group.

b. Use of estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

NOTES to Consolidated financial statements for the year ended 31st March, 2014

Useful lives of depreciable assets. Management reviews the useful lives of depreciable assets at each reporting date. At 31 March 2014, management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are analysed in Note 4. Actual results, however, may vary due to technical obsolescence.

4 PLANT AND EQUIPMENT

(Bahraini dinars)

	Furniture and fixtures	Computer and other equipment	Software and licenses	2014 Total	2013 Total
Cost					
At 1 April	491,647	507,295	11,733,289	12,732,231	12,735,159
Disposals	(429,984)	(13,354)	-	(443,338)	(2,928)
At 31 March	**61,663**	**493,941**	**11,733,289**	**12,288,893**	**12,732,231**
Accumulated depreciation					
At 1 April	345,429	240,992	4,562,226	5,148,647	2,598,293
Charge for the year	71,472	98,570	2,346,660	2,516,702	2,551,545
Disposals	(358,258)	(9,327)	-	(367,585)	(1,191)
At 31 March	**58,643**	**330,235**	**6,908,886**	**7,297,764**	**5,148,647**
Net book value					
At 31 March 2014	**3,020**	**163,706**	**4,824,403**	**4,991,129**	**-**
At 31 March 2013	**146,218**	**266,303**	**7,171,063**	**-**	**7,583,584**

(Bahraini dinars)

		2014	2013
5	**PREPAYMENTS AND OTHER RECEIVABLES**	**2014**	**2013**
	Prepayments	12,131	168,819
	Rent deposit	32,417	55,786
	Other receivables	13,778	20,301
		58,326	244,906
	All amounts are short term. The net carrying value of other receivables is considered a reasonable approximation of fair value at the financial position date. The age of other receivables past due but not impaired are disclosed in Note 17(e).		
6	**CASH AND CASH EQUIVALENTS**		
	Cash in hand	774	2,011
	Bank balances	586,369	2,399,738
	Short term deposits	380,122	459,208
		967,265	2,860,957
	Short term deposits are placed with the Group's bankers, earn interest at a rate ranging from 0.31% to 2.75% (2013: 0.4%) per annum with original maturity of less than 3 months. There are no restrictions on bank balances at the time of approval of the consolidated financial statements.		
7	**Accruals and other payables**		
	Accruals	44,386	197,740
	Margin money from members	176,405	2,307,317
	Interest payable to related party	124,081	-
	CBB license fee payable	25,000	-
	Leave salary	25,629	55,810
	Other payables	49,528	68,206
		445,029	2,629,073

The carrying values of accruals and other payables are considered to be reasonable approximate of fair value at the consolidated financial position date.

(Bahraini dinars)

		2014	2013
8	**LOAN FROM RELATED PARTY**	**2014**	**2013**
	FT Group Investments Private Limited	**8,271,993**	8,271,993
	Loan from related party is unsecured, bears interest in the rate of 6% and has no fixed repayment terms.		
9	**AMOUNT DUE TO RELATED PARTY**		
	Financial Technologies (India) Ltd.	**7,963**	-
	Amount due to related party is unsecured, bears no interest and has no fixed repayment terms.		
10	**EMPLOYEES' TERMINAL BENEFITS**		
	The movement in leaving indemnity liability applicable to expatriate employees is as follows:		
	At 1 April	52,204	32,381
	Provision for the year	25,270	28,388
	Payment during the year	(17,941)	(8,565)
	At 31 March	**59,533**	52,204
	The number of staff employed by the Group as at 31 March 2014 was 14 (2013: 30).		

11 SHARE CAPITAL

The share capital of the Company comprises of 50,000,000 authorised, issued and fully paid up shares of BD0.376 (USD 1) each.

	Number of shares	%	Amount BD
Financial Technologies Middle East DMCC	6,487,500	13	2,439,300
FT Group Investments Private Limited	43,512,500	87	16,360,700
	50,000,000	**100**	**18,800,000**

12 Statutory reserve

Under the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's profit for the year before appropriations is required to be transferred to a nondistributable reserve account up to a minimum of 50% of the issued share capital. No transfer has been made to this reserve during the year as the Group incurred losses (2013: Nil).

(Bahraini dinars)

		2014	2013
13	**OTHER INCOME**	**2014**	**2013**
	Gain on disposal of plant and equipment	-	115
	Interest income on short term deposits	5,860	3,247
	Trading floor income	15,144	16,980
	Miscellaneous	13,690	20
		34,694	20,362
14	**OTHER OPERATING EXPENSES**		
	Software maintenance fees	1,748,557	1,847,479
	Market making fees	238,348	628,424
	Loss on disposal of plant and equipment	64,829	-
	Telephone and internet	48,549	84,810
	Legal and professional charges	58,382	88,237
	IT support expenses	25,414	44,710
	Director's allowance	24,000	27,500
	Terminal fees	18,998	18,612
	Travel expenses	8,478	28,808
	Repair and maintenance	7,055	13,216
	Client activation expenses	-	42,082
	Secondary quote and volume making expenses	4,651	128,271

NOTES to Consolidated financial statements for the year ended 31st March, 2014

(Bahraini dinars)

	2014	2013
Leased circuit charges	-	23,200
Others	64,615	87,635
	2,311,876	3,062,984

15 RELATED PARTY TRANSACTIONS

The Group's related parties include its Shareholders, Directors, their close relatives and businesses under their control. The Group's transactions with related parties are in the ordinary course of business. The balances with related parties at the financial position date have been separately disclosed in the consolidated financial statements.

The following are the related party transactions:

(Bahraini dinars)

Name of related party	Nature of transactions	2014	2013
Financial Technologies (India) Ltd.	Payments	1,673,510	1,961,356
FT Group Investments Private Limited	Interest expense	473,103	175,981
Financial Technologies (India) Ltd.	Maintenance fees – DOME and Cns softwares	1,660,823	1,784,812
Financial Technologies (India) Ltd.	Maintenance fees – FOVEA software	87,734	62,667

The total remuneration paid to Director and other members of key management in 2014 (including salaries and benefits) was BD151,962 (2013: BD147,340).

(Bahraini dinars)

16 COMMITMENTS	2013
The Group's future minimum operating lease payments are as follows:	
Within one year	146,406

17 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise of cash and cash equivalents, other receivables, loan from related party, accruals and other payables, and amount due to related party.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors approves policies for managing each of these risks, which are summarized below.

a. Cash flow interest rate risk

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. The Group is not exposed to the risk for changes in market interest rates since the Group has fixed interest earning deposits and fixed interest bearing loan from related party.

b. Liquidity risk

Liquidity risk is the risk arising from the Group not being able to meet its obligations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents.

The Ultimate Holding Company confirmed their willingness to provide financial support as and when liabilities fall due.

The following table shows the maturity profile of financial liabilities as at 31 March 2014:

(Bahraini dinars)

Particulars	Due within 1 year
Accruals and other payables	419,400
Amount due to related party	7,963
Loan from related party	8,271,993
	8,699,356

The following table shows the maturity profile of financial liabilities as at 31 March 2013:

(Bahraini dinars)

Particulars	Due within 1 year
Accruals and other payables	2,573,263
Loan from related party	4,700,000
	7,273,263

c Foreign currency risk

The Group's primary exposure to the risk in changes in foreign currency relates to the transactional currency exposures. Such exposure arises when the transaction is denominated in currencies other than the functional currency of the operating unit or the counterparty.

The Group manages this risk by maintaining foreign currency bank accounts, which are used for foreign currency transactions to minimize impact of foreign exchange differences.

d Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group transacts only with recognized, creditworthy third parties. The table below shows the gross maximum exposure to the Group's credit risk, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques as at 31 March:

(Bahraini dinars)

	2014	2013
Other receivables	46,195	76,087
Bank balances	586,369	2,399,738
Short term deposits	380,122	459,208
	1,012,686	2,935,033

e Credit quality per class of financial asset

The Group continuously monitors defaults of other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls.

Where available at reasonable cost, external credit ratings and/or reports on other counterparties are obtained and used. The Group's policy is to transact only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

The table below shows the age analysis of the Group's financial assets as at 31 March 2014.

(Bahraini dinars)

Particulars	Neither past due nor impaired
Other receivables	46,195
Bank balances	586,369
Short term deposits	380,122
	1,012,686

The table below shows the age analysis of the Group's financial assets as at 31 March 2013.

(Bahraini dinars)

Particulars	Neither past due nor impaired
Other receivables	76,087
Bank balances	2,399,738
Short term deposits	459,208
	2,935,033

NOTES to Consolidated financial statements for the year ended 31st March, 2014

18 CAPITAL MANAGEMENT POLICY

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize Shareholders' value.

The Group monitors capital using capital to overall financing ratio, which is capital divided by overall financing.

(Bahraini dinars)

	2014	2013
Total equity	(2,767,798)	3,308,170
Less: Cash and cash equivalents	(967,265)	(2,860,957)
Capital	**(3,735,063)**	447,213
Total equity	(2,767,798)	3,308,170
Loan from related party	8,271,993	4,700,000
Overall financing	**5,504,195**	8,008,170
Capital to overall financing ratio	**-**	0.06

19 POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

20 COMPARATIVE FIGURES

Comparative figures for the previous year have been reclassified/re-arranged wherever necessary to conform with the presentation in the current year's consolidated financial statements.

DIRECTORS' REPORT

The Board of Directors of BFX Clearing and Depository Corporation B.S.C. (closed) (the "Company") has great pleasure in presenting the annual report and the audited financial statements of the Company for the year ended 31 March 2014.

Principal activities

The Company is engaged in the business of settlement of financial instruments and clearing financial instruments.

Financial highlights

The total income of the Company for the year ended 31 March 2014 was BD5,860 as compared to previous year's income of BD2,381. The Company has incurred a loss of BD711,088 for the year ended 31 March 2014 as compared to loss of BD812,760 in the year 2013.

Directors and Management

The following served as Directors and was in charge of the Management of the Company during the year ended 31 March 2014.

Jignesh Shah	-	Chairman (until 14 January 2014)
Arshad Khan	-	CEO & Managing Director
Lambertus (Lamon) Rutten	-	Chairman (from 6 February 2014)
Joseph Massey	-	Director (until 17 September 2013)
Tawfiq Al Alawi	-	Director

Auditors

The financial statements have been audited by Grant Thornton - Abdulaal who have expressed their willingness and considered themselves eligible for re-appointment.

The Directors takes this opportunity to place on record his sincere appreciation to the staff for their loyalty and dedication, which has greatly helped to maintain the reputation and results of the Company.

On behalf of the Board of Directors

Arshad Khan
CEO & Managing Director

Lambertus (Lamon) Rutten
Chairman

23 May 2014
Manama, Kingdom of Bahrain

INDEPENDENT AUDITORS' REPORT

To the Shareholders of

BFX Clearing and Depository Corporation B.S.C. (closed)

Report on the Financial Statements

We have audited the accompanying financial statements of **BFX Clearing and Depository Corporation B.S.C. (closed)** (the **"Company"**) which comprise the statement of financial position as at 31 March 2014, and the related statements of comprehensive income, changes in equity and the cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

As required by the Bahrain Commercial Companies Law and the Central Bank of Bahrain (CBB) Rule Book (Volume 6), we report that the Company has maintained proper accounting records and the financial statements are in agreement therewith; the financial information contained in the report of the Board of Directors is consistent with the financial statements; we are not aware of any violations of the Bahrain Commercial Companies Law or the terms of the Company's memorandum and articles of association having occurred during the year that that might have had a material effect on the business of the Company or in its financial position and satisfactory explanations and information have been provided to us by the management in response to all our requests. However, as disclosed in Note 1.1 to the financial statements, we have observed certain matters which are highlighted below relevant to the CBB Rule Book (Volume 6 and CBB Directives), the CBB Capital markets Regulations and associated resolutions.

1. Non-payment of annual license fee.
2. Non-submission of quarterly reviewed financial statements.
3. Non-preparation of the internal auditor's report relating to the business operations.
4. Non-submission of online non-financial information update on a quarterly basis.
5. Except BMI Bank and ABC Bank, the members have not submitted audited financial reports and quarterly internal audit reports to the Company.
6. Non-visit to the offices of its members or depository participants on a periodic basis.
7. Non-submission of bi-annual certification of segregation of money of member to the Company.

23 May 2014
Manama, Kingdom of Bahrain

STATEMENT OF FINANCIAL POSITION as at 31st March, 2014

(Bahraini dinars)

	Notes	31st March 2014	31st March 2013
Assets			
Non-current assets			
Prepayment to related party	3	**1,253,333**	1,723,333
Current assets			
Other receivables		1,392	7,817
Amount due from related party	4	445,138	445,138
Cash and cash equivalents	5	580,419	2,705,163
		2,280,282	3,158,118
Total assets		**2,280,282**	4,881,451
Equity and Liabilities			
Equity			
Share capital	9	3,760,000	3,760,000
Accumulated losses		(2,151,845)	(1,440,757)
		1,608,155	2,319,243
Liabilities			
Non-current liabilities			
Employees' terminal benefits	8	**12,543**	9,822
Current liabilities			
Accruals and other payables	6	196,587	2,327,413
Amount due to related party	7	462,997	224,973
		659,584	2,552,386
Total liabilities		**672,127**	2,562,208
Total equity and liabilities		**2,280,282**	4,881,451

These financial statements were approved by the Board of Directors on 23 May 2014 and signed on its behalf by:

Arshad Khan
CEO & Managing Director

Lambertus (Lamon) Rutten
Chairman

The accounting policies and the notes 1 to 17 form an integral part of these fmancial statements.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31st March, 2014

(Bahraini dinars)

	Notes	31st March 2014	31st March 2013
Income			
Interest income		**5,860**	2,381
Expenses			
Staff costs	11	(140,577)	(197,886)
Rent		(31,233)	(46,032)
Amortization	3	(470,000)	(470,000)
Other operating expenses	12	(75,138)	(101,223)
		(716,948)	(815,141)
Loss for the year transferred to accumulated losses		**(711,088)**	(812,760)

These financial statements were approved by the Board of Directors on 23 May 2014 and signed on its behalf by:

Arshad Khan
CEO & Managing Director

Lambertus (Lamon) Rutten
Chairman

The accounting policies and the notes 1 to 17 form an integral part of these fmancial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2014

(Bahraini dinars)

	Share capital	Accumulated losses	Total
At 1 April 2012	3,760,000	(627,997)	3,132,003
Loss for the year	-	(812,760)	(812,760)
At 31 March 2013	**3,760,000**	**(1,440,757)**	**2,319,243**
At 1 April 2013	3,760,000	(1,440,757)	2,319,243
Loss for the year	-	(711,088)	(711,088)
At 31 March 2014	**3,760,000**	**(2,151,845)**	**1,608,155**

The accounting policies and the notes 1 to 17 form an integral part of these fmancial statements.

STATEMENT OF CASH FLOWS

for the year ended 31st March, 2014

(Bahraini dinars)

	Year ended 31 March 2014	Year ended 31 March2013
Operating activities		
Loss for the year	(711,088)	(812,760)
Adjustments for:		
Amortization	470,000	470,000
Provision for employees' terminal benefits	5,261	5,311
Operating loss before working capital changes	(235,827)	(337,449)
Changes in operating assets and liabilities:		
Change in other receivables	6,425	(2,084)
Change in amount due from related party	-	(445,138)
Change in accruals and other payables	(2,130,826)	1,827,270
Change in amount due to related party	238,024	210,190
Parments of employees' terminal benefits	(2,540)	-
Net cash (used in)/generated from operating activities	**(2,124,744)**	1,252,789
Net change in cash and cash equivalents	(2,124,744)	1,252,789
Cash and cash equivalents, beginning of the year	2,705,163	1,452,374
Cash and cash equivalents, end of the year	**580,419**	2,705,163
Comprises:		
Cash in hand	280	133
Bank balances	200,017	2,245,822
Short term deposits	380,122	459,208
	580,419	2,705,163

The accounting policies and the notes 1 to 17 form an integral part of these fmancial statements.

NOTES to financial statements for the year ended 31st March, 2014

1 ORGANISATION AND ACTIVITIES

BFX Clearing and Depository Corporation B.S.C. (closed) (the "Company") is a closed Bahrain Joint Stock Company registered in the Kingdom of Bahrain with the Ministry of Industry and Commerce under commercial registration number 74580-1 obtained on 29 March 2010.

On October 5, 2010, the Central Bank of Bahrain issued a license to the Company to operate as securities and financial instruments exchanges and trading system operators in the Kingdom of Bahrain. The Company is a 99.9% subsidiary of Bahrain Financial Exchange B.S.C. (c) (the "Parent Company").

The Company is engaged in the business of settlement of financial instruments and clearing financial instruments.

The Company's registered office is situated in the Kingdom of Bahrain.

1.1 Matters related to CBB rulebook 6

Below are certain matters related to the provision of CBB rulebook 6 and the actions initiated by the Management to notify the position of the Company:

- Payment of annual license fee: The Company has not received invoice from CBB or notification from CBB for the annual license fee. However, the Company has made a provision for the same.
- Submission of quarterly reviewed financial statements: Management of the Company sent a letter to the CBB on 26 June 2013 informing that the Company is not in a position to submit the same due to the proposed strategic realignment of operations of the Company.
- Preparation of report reviewed by the internal auditor relating to the business operations: There is no business operation of the Central Depository and also there was no substantial business operation for the Clearing house during the year.
- Submission of online non-financial information update on a quarterly basis: Management of the Company sent a letter to the CBB on 26 June 2013 informing that the Company is not in a position to submit the same due to the proposed strategic realignment of operations of the Company.
- Submission of audited financial reports and quarterly internal audit reports of every member: BMI Bank and ABC Bank have submitted to the Company. Other members have not submitted as there was no trading activity during the period.
- Periodic visits to the offices of its members or depository participants: Most of the members' offices were on the same floor of the Company and their business operations were directly monitored on day-to-day basis by the company. There was no trading activity during the period to have detailed review of operating procedures, system maintenance and compliance with the CBB law.
- Certification of segregation of money of member to the Company: As per the CBB daily report requirement, BCDC submits member-wise deposit details on a daily basis to the CBB.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The Company's financial statements have been prepared on basis of historical cost. The Company's financial statements are presented in Bahrain Dinars. All values are rounded to the nearest Bahrain Dinar.

2.2 Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in conformity with the Bahrain Commercial Companies Law and Central Bank of Bahrain and Financial Industries Law 2006, the Capital markets regulations set out in volume 6 of the Capital markets Rule Book by the Central Bank of Bahrain.

2.3 New and revised standards that are effective for annual periods beginning on or after 1 April 2013

A number of new and revised standards are effective for annual periods beginning on or after 1 April 2013. Information on these new standards is presented below:

- IAS 1, "Presentation of items of Other Comprehensive Income (Amendments to IAS 1)" (effective for annual periods beginning on or after 1 July 2012);
- IFRS 1, "Government Loans (Amendments to IFRS 1)" (effective for annual periods beginning on or after 1 January 2013);
- IFRS 7, "Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)" (effective for annual periods beginning on or after 1 January 2013);
- IFRS 11, "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013);

NOTES to financial statements for the year ended 31st March, 2014

- IFRS 12, "Disclosure of Interest in Other Entities" (effective for annual periods beginning on or after 1 January 2013);
- IFRS 13, "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013);
- IAS 19, "Employee Benefits (Revised 2011)" (effective for annual periods beginning on or after 1 January 2013);
- Annual Improvements to IFRS 2009-2011 cycle - "IFRS 1 First-time Adoption of International Financial Reporting Standards- repeated application of IFRS1 and Borrowing Costs" (effective for annual periods beginning on or after 1 January 2013);
- Annual Improvements to IFRS 2009-2011 cycle - "IAS 1 Presentation of Financial Statements-clarification requirements for comparative information" (effective for annual periods beginning on or after 1 January 2013); and
- Annual Improvements to IFRS 2009-2011 cycle - "IAS 16 Property, Plant and Equipment- Classification of servicing equipment" (effective for annual periods beginning on or after 1 January 2013).

Management does not expect the above standards to have a material effect on the Company's financial position and results of its operations.

2.4 Standards effective and not relevant to the Company

Certain other new standards and interpretations have been issued but are not relevant to the Company and have no material effect on the Company's financial position and its results of operation.

- IFRS 10, "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013);
- "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)" (effective for annual periods beginning on or after 1 January 2013);
- IAS 27, "Separate Financial Statements" - consequential amendments (effective for annual periods beginning on or after 1 January 2013);
- IAS 28, "Investments in Associates and Joint Ventures" - consequential amendments (effective for annual periods beginning on or after 1 January 2013);
- IFRIC 20, "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods beginning on or after 1 January 2013);
- Annual Improvements to IFRS 2009-2011 cycle - "IAS 32 Financial instruments: Presentation- Tax effect of distribution to holders of equity instruments" (effective for annual periods beginning on or after 1 January 2013); and
- Annual Improvements to IFRS 2009-2011 cycle - "IAS 34 Interim Financial Reporting –Interim financial reporting and segment information for total assets and liabilities" (effective for annual periods beginning on or after 1 January 2013.

2.5 Standards and interpretations not yet effective

Certain other new standards, amendments and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company.

- IAS 32, "Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)" (effective for annual periods beginning on or after 1 January 2014);
- IFRS 10, IFRS 12 and IAS 27, "Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)" (effective for annual periods beginning on or after 1 January 2014);
- IFRIC 21, "Levies" (effective for annual periods beginning on or after 1 January 2014);
- IAS 36, "Recoverable amount disclosures for non-financial assets (Amendments to IAS 36)" (effective for annual periods beginning on or after 1 January 2014);
- IAS 39, "Novation of derivatives and continuation of hedge accounting (Amendments to IAS 39)" (effective for annual periods beginning on or after 1 January 2014);
- IAS 19, "Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)" (Amendments to IAS 39)" (effective for annual periods beginning on or after 1 July 2014); and
- IFRS 9, "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015).

Management does not expect the above standards to have a material effect on the Company's financial position and results of its operations.

2.6 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and short term deposits.

2.7 Provisions

Provisions are recognised by considering an obligation of the Company as on date resulting from past events, and where it is probable that such obligation will result in outflow of economic resources and amount can be reliably estimated.

2.8 Employees' terminal benefits

Employees' terminal benefits and entitlements to annual leave, holiday, air passage and other short term benefits are recognized as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the General Organisation for Social Insurance in the Kingdom of Bahrain. The Company's share of contribution to this funded scheme which is defined contribution scheme under IAS-19, is recognised as an expense in the statement of comprehensive income.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law for private sector 2012, based on length of service and final salary. Provision for this, which is unfunded and which represent a defined benefit plan under IAS-19 -Employee benefits has been made by calculating the notional liability had all employees left at the reporting date. The provision is classified as a non-current liability in the statement of financial position.

2.9 Other income

Other income is recognised on an accrual basis or when the Company's right to receive payment is established.

2.10 Foreign currency transactions

Transactions in foreign currencies are translated into Bahrain Dinars and recorded at the appropriate rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Bahrain Dinars at the exchange rates prevailing at the statement of financial position date. The resultant exchange gains and losses are recognized in the statement of comprehensive income.

2.11 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instruments.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and liabilities are measured subsequently as described below:

a. Financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

Loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, other receivables and amount due from related party fall into this category of financial instruments.

b. Financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in the statement of comprehensive income. The Company's financial liabilities include accruals and other paybles, and amount due to related party.

2.12 Significant accounting judgments and estimates

The Company's financial statements prepared under IFRS require the Company to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Future events may occur which may cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the Company's financial statements as they become reasonably determinable.

NOTES to financial statements for the year ended 31st March, 2014

a. **Judgments**

Judgment and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Leases. In applying the classification of leases, management considers its lease of office as operating lease arrangement since the substantial risks and rewards incidental to ownership are not passed to the Company.

3 PREPAYMENT TO RELATED PARTY

Prepayment to related party represents 25% of the cost of software system, which is capitalized and recognized in the Parent Company, and to be partly used by the Company. This is being amortized over 5 years commencing 1 December 2011. The amortization for the year in the amount of BD470,000 (2013: BD470,000) is included in the statement of comprehensive income.

(Bahraini dinars)

		2014	2013
4	**AMOUNT DUE FROM RELATED PARTY**	**2014**	**2013**
	Bahrain Financial Exchange B.S.C. (closed)	445,138	445,138
	Amount due from related party is unsecured, earns no interest and has no fixed repayment terms.		
5	**CASH AND CASH EQUIVALENTS**		
	Cash in hand	280	133
	Bank balances	200,017	2,245,822
	Short term deposits	380,122	459,208
		580,419	**2,705,163**
	There are no restrictions on bank balances at the time of approval of the financial statements.		
	Short term deposits are placed with the Company's bankers, earn interest at a rate of 0.31% to 2.75% (2013: 0.31% to 2.75%) per annum with original maturity of less than 3 months.		
6	**Accruals and other payables**		
	Accruals	2,325	2,250
	Margin money from members	176,405	2,307,315
	CBB fee license payables	10,000	-
	Leave salary	3,318	12,555
	Other payables	4,539	5,293
		196,587	**2,327,413**
	The carrying values of accruals and other payables are considered to be reasonable approximate of fair value at the financial position date.		
7	**AMOUNT DUE TO RELATED PARTY**		
	Bahrain Financial Exchange B.S.C. (closed)	**462,997**	**224,973**
	Amount due to related party is unsecured, bears no interest and has no fixed repayment terms.		
8	**EMPLOYEES' TERMINAL BENEFITS**		
	The movement in leaving indemnity liability applicable to expatriate employees is as follows:		
	At 1 April	9,822	4,511
	Amount provided for the year	5,261	5,311
	Amount paid during the year	(2,540)	-
		12,543	**9,822**
	The number of staff employed by the Company at 31 March 2014 was 2 (2013: 5).		

9 SHARE CAPITAL

The share capital of the Company consists of 10,000,000 shares of BD0.376 (USD 1) each, issued and fully paid up.

	Number of shares	%	Amount BD
Bahrain Financial Exchange B.S.C. (closed)	9,990,000	99.9	3,756,240
FT Group Investments Private Limited	10,000	0.1	3,760
	10,000,000	**100**	**3,760,000**

10 Statutory reserve

Under the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's profit for the year before appropriations is required to be transferred to a nondistributable reserve account up to a minimum of 50% of the issued share capital. No transfer has been made to this reserve during the year as the Company incurred losses (2013: Nil).

11 STAFF COSTS

Staff costs include 20% share in salary and benefits of common support function personnel with the Parent Company. This is covered by business support agreement between the Company and Parent company.

(Bahraini dinars)

12 OTHER OPERATING EXPENSES	2014	2013
Telephone and internet	45,072	60,115
Legal and professional charges	15,947	27,980
Other operating expense	14,119	13,128
	75,138	**101,223**

13 RELATED PARTY TRANSACTIONS

The Company's related parties include its Shareholders, their close relatives and businesses under their control. The Company's transactions with related parties are in the ordinary course of business. The balances with related parties at the financial position date have been separately disclosed in the financial statements.

14 FINANCIAL ASSETS AND LIABILITIES AND RISK MANAGEMENT

The Company's principal financial instruments comprise of cash and cash equivalents, other receivables, amount due from related party, accruals and other payables, and amount due to related party.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors approves policies for managing each of these risks, which are summarized below.

a. Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. The Company is not exposed to the risk for changes in market interest rates since the Company's short term deposits earn fixed rate of interest.

b. Liquidity risk

Liquidity risk is the risk arising from the Company not being able to meet its obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents.

The following tables show the maturity profile of financial liabilities as at 31 March 2014:

(Bahraini dinars)

Particulars	Due within 1 year
Accruals and other payables	193,269
Amount due to related party	462,997
	656,266

NOTES to financial statements for the year ended 31st March, 2014

The following tables show the maturity profile of financial liabilities as at 31 March 2013:

(Bahraini dinars)

Particulars	Due within 1 year
Accruals and other payables	2,314,858
Amount due to related party	224,973
	2,539,831

c Foreign currency risk

The Company's primary exposure to the risk of changes in foreign currency relates to the transactional currency exposures. Such exposure arises when the transaction is denominated in currencies other than the functional currency of the operating unit or the counterparty.

The currency risk on foreign currencies is actively monitored by the Management. The Company's transactions are predominantly in Bahrain Dinars.

d Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company trades only with recognized, creditworthy third parties.

The table below shows the gross maximum exposure to the Company's credit risk, without considering the effects of collateral, credit enhancements and other credit risk mitigation techniques as at 31 March:

(Bahraini dinars)

	2014	2013
Other receivables	1,392	7,817
Amount due from related party	445,138	445,138
Bank balances	200,017	2,245,822
Short term deposits	380,122	459,208
	1,026,669	**3,157,985**

e Credit quality per class of financial asset

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group and incorporates this information into its credit risk controls.

Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

The table below shows the age analysis of the Company's financial assets as at 31 March 2014.

(Bahraini dinars)

Particulars	Neither past due nor impaired
Other receivables	1,392
Amount due from related party	445,138
Bank balances	200,017
Short term deposits	380,122
	1,026,669

The table below shows the age analysis of the Company's financial assets as at 31 March 2013.

(Bahraini dinars)

Particulars	Neither past due nor impaired
Other receivables	7,817
Amount due from related party	445,138
Bank balances	2,245,822
Short term deposits	459,208
	3,157,985

15 CAPITAL MANAGEMENT POLICY

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize Shareholders' value.

The Company monitors capital using capital to overall financing ratio, which is capital divided by overall financing.

(Bahraini dinars)

	2014	2013
Total equity	1,608,155	2,319,243
Less: Cash and cash equivalents	(580,419)	(2,705,163)
Capital	**1,027,736**	(385,920)
Total equity	1,608,155	2,319,243
Overall financing	**1,608,155**	**2,319,243**
Capital to overall financing ratio	**0.64**	**-**

16 POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

17 COMPARATIVE FIGURES

Comparative figures for the previous year have been reclassified/re-arranged wherever necessary to conform with the presentation in the current year's financial statements.

GENERAL INFORMATION

Country of incorporation and domicile	:	Botswana
Nature of business and principal activities	:	Commodity trading, IFSC company
Directors	:	Christopher Goromonzi Abdool Rahim Khan Lamon Rutten Jignesh Shah (resigned 15/10/2013) Joseph Massey (resigned 17/09/2013) Shreekant Yadav Javalgekar (resigned 03/09/2013) Paras Kishorkumar Ajmera (resigned 15/10/2013)
Registered office	:	Plot 50371 Fairgrounds Office Park Gaborone Botswana
Business address	:	P O Box 4966 Gaborone Botswana
Holding company	:	FT Group Investments Private Limited incorporated in Mauritius
Ultimate holding company	:	Financial Technologies India Limited Incorporated in India
Bankers	:	First National Bank of Botswana Limited First National Bank of South Africa Limited Standard Chartered Bank of Botswana Limited
Auditors	:	Grant Thornton Chartered Accountants A Botswana member of Grant Thornton International Limited
Secretary	:	DPS Consulting Services (Proprietary) Limited
Company registration number	:	Co. 2007/5014
Date of incorporation	:	12 September 2007
Functional currency	:	US Dollar

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act (Cap 42:01) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates, except for the assumption that, the company shall be a going concern.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the prospects of the company's ability to continue as a going concern. As highlighted in Note 25, the company does not have the intention and ability to continue as a going concern. To settle the excess of liabilities over the net realisable value of the assets, the holding company has committed to infuse funds/waive any loans granted to it until such time the company is placed under liquidation. Hence, the company shall not continue as a going concern.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on page 531.

The annual financial statements set out on pages 532 to 544, which have been prepared on net realisable value basis and not going concern basis, were approved by the board on 28th May 2014 and were signed on its behalf by:

Christopher Goromonzi	**Abdool Rahim Khan**
Director	Director

Gaborone

INDEPENDENT AUDITOR'S REORT

To the shareholders of Bourse Africa Limited

We have audited the accompanying annual financial statements of Bourse Africa Limited, which comprise the

statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 529 to 542.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these annual financial statements in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these annual financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual financial statements give a true and fair view of, the financial position of Bourse Africa Limited as at

31 March 2014, and its financial performance and its cash flows for the year then ended in accordance with

International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 25 to the annual financial statements which discloses that the company does not intend to continue its operations as a going concern for reasons indicated in that note. These financial statements have been prepared under assumptions that the company would not continue to be a going concern.

Date: 28 May, 2014
Gaborone

Chartered Accountants
Certified Auditor:Madhavan Venkatachary
(Memb No: 20030049)

STATEMENT OF FINANCIAL POSITION as at 31st March, 2014

(in US$)

	Note	31st March 2014	31st March 2013
Assets			
Non-Current Assets			
Property, plant and equipment	3	-	204 783
Investments in subsidiaries	4	-	73 380
		-	278 163
Current Assets			
Trade and other receivables	8	63 559	167 586
Prepayments	7	-	30 750 000
Cash and cash equivalents	9	129 491	119 519
		193 050	31 037 105
Non-current assets held for sale and assets of disposal groups	10	166 577	-
Total Assets		**359 627**	31 315 268
Equity and Liabilities			
Equity			
Stated capital	11	27 520 000	35 020 000
Accumulated loss		(32 740 387)	(8 163 421)
		(5 220 387)	26 856 579
Liabilities			
Current Liabilities			
Loans from group companies	5	5 512 986	4 200 000
Operating lease liability		-	22 927
Trade and other payables	12	67 028	235 762
		5 580 014	4 458 689
Total Equity and Liabilities		**359 627**	31 315 268

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2014

(in US$)

	Note	31st March 2014	31st March 2013
Revenue	14	400 000	-
Other income		89 147	-
Operating expenses		(1 445 792)	(2 301 367)
Impairment losses of prepayments and advances	7	(30 750 000)	-
Impairment losses on investments in subsidiaries	4	(73 380)	-
Operating loss	15	**(31 780 025)**	(2 301 367)
Finance income	16	10	1 737
Finance costs	17	(296 951)	(140 629)
Loss for the year		**(32 076 966)**	(2 440 259)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(32 076 966)**	(2 440 259)

STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2014

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2012	**35 020 000**	**(5 723 162)**	**29 296 838**
Loss for the year	-	(2 440 259)	(2 440 259)
Other comprehensive income	-	-	
Total comprehensive Loss for the year	**-**	**(2 440 259)**	**(2 440 259)**
Balance at 01 April 2013	**35 020 000**	**(8 163 421)**	**26 856 579**
Loss for the year	-	(32 076 966)	(32 076 966)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	**-**	**(32 076 966)**	**(32 076 966)**
Reduction of stated capital by cancellation of shares	(7 500 000)	7 500 000	-
Total contributions by and distributions to owners of company recognised directly in equity	**(7 500 000)**	**7 500 000**	
Balance at 31 March 2014	**27 520 000**	**(32 740 387)**	**(5 220 387)**
Note	11		

STATEMENT OF CASH FLOWS for the year ended 31 March 2014

(in US$)

	Note	31st March 2014	31st March 2013
Cash flows from operating activities			
Cash used in operations	20	(1 021 840)	(2 216 636)
Finance income		10	1 737
Finance costs		(296 951)	(140 629)
Net cash from operating activities		**(1 318 781)**	(2 355 528)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	-	(200 515)
Sale of property, plant and equipment	3	15 767	-
Advance towards purchase of intangible assets		-	(4 250 000)
Movement in investments (incl subs, JVs & Assoc)	21	-	(55)
Increase in loans from group companies		1 312 986	4 200 000
Net cash from investing activities		**1 328 753**	(250 570)
Total cash movement for the year		9 972	(2 606 098)
Cash at the beginning of the year	9	119 519	2 725 617
Total cash at end of the year		**129 491**	119 519

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

These financial statements are prepared in accordance with International Financial Reporting Standards modified for assumptions that the company shall not continue as a going concern. The assets and liabilities stated are stated at lower of their carrying value or net realisable value. They are presented in US Dollars.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade and other receivables

The company assesses its other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for other receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption by management may change which may then impact our estimations and may then require a material adjustment to the carrying value of assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply demand, together with economic factors such as exchange rates, inflation and interest.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Contingent liabilities

Management applies its judgement to facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

Useful life and residual value of property, plant and equipment

The estimates of useful lives as translated into depreciation rates are detailed in property, plant and equipment policy on the annual financial statements. These rates and residual lives of the assets are reviewed annually taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments in the industry.

NOTES to financial statements for the year ended 31st March, 2014

1.2 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	AVERAGE USEFUL LIFE
Leasehold improvements	over the lease period
Furniture and fixtures	10 years
Motor vehicles	4 years
Office equipment	6.67 years
IT equipment	4 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

1.4 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis..

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.7 Non-current assets held for sale (and) (disposal groups)

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

1.8 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Stated capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the company reacquires its own equity instruments, the consideration paid, including any directly attributable incremental costs (net of income taxes) on those instruments are deducted from equity until the shares are cancelled or reissued. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.11 Revenue

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for services provided in the normal course of business, net of discounts and value added tax.

1.12 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in US Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in US Dollars by applying to the foreign currency amount the exchange rate between the US Dollar and the foreign currency at the date of the cash flow.

Investments in subsidiaries

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

If significant,exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

2. NEW STANDARDS AND INTERPRETATIONS

At the date of approval of these annual financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published. Management does not intend to adopt any standard due to the disclosures made under Note 25.

2.1 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after 01 April 2014 or later periods.

IFRS 9 Financial Instruments

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is for years beginning on or after 01 January 2015.

3. PROPERTY, PLANT AND EQUIPMENT

(in US$)

	2014			2013		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Furniture and fixtures	-	-	-	202 705	(31 238)	171 467
IT equipment	-	-	-	42 646	(36 576)	6 070
Leasehold property	34 977	(34 977)	-	34 977	(11 659)	23 318
Office equipment	-	-	-	9 346	(5 418)	3 928
TOTAL	**34 977**	**(34 977)**	**-**	**289 674**	**(84 891)**	**204 783**

Reconciliation of property, plant and equipment - 2014

(in US$)

	Opening carrying value	Classified as held for sale	Depreciation	Impairment loss	Total
Furniture and fixtures	171 467	(157 953)	(13 514)	-	-
IT equipment	6 070	(5 629)	(441)	-	-
Leasehold property	23 318	-	(7 771)	(15 547)	-
Office equipment	3 928	(2 993)	(935)	-	-
	204 783	**(166 575)**	**(22 661)**	**(15 547)**	**-**

Reconciliation of property, plant and equipment - 2013

(in US$)

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	31 951	159 790	(20 274)	171 467
IT equipment	6 298	4 845	(5 073)	6 070
Leasehold property	-	34 977	(11 659)	23 318
Office equipment	4 431	903	(1 406)	3 928
	42 680	**200 515**	**(38 412)**	**204 783**

Refer note 10 for non-current assets classified as held for sale.

4. INVESTMENTS IN SUBSIDIARIES

Name of company	2014						2013
	Held by	% voting power 2014	% voting power 2013	% holding 2014	% holding 2013	Carrying amount 2014	Carrying amount 2013
Bourse Exchange Nigeria Limited - incorporated in Nigeria - Authorised capital at USD 264 000 (Naira 40 Million divided into 40 million shares of Naira 1 each) - Subscribed and issued capital at USD 66 000(Naira 10 million)		100.00%	100.00%	100.00%	100.00%	66 000	66 000
Bourse Tanzania Limited - incorporated in Tanzania-Authorised capital at USD 70 (Tanzania Shilling 100 000 divided into 100 shares of 1000 Tanzania Shilling each-Subscribed and issued capital at USD 70 (Tanzania n Shilling 100000)		100.00%	100.00%	100.00%	100.00%	70	70
Bourse Uganda Limited - incorporated in Uganda - Authorised capital at USD 5000 (Uganda Shillings 10 000 000 divided into 10 000 shares of Uganda Shilling 1000 each) - Subscribed and issued USD 5000 (Uganda shilling 10 000 000)		100.00%	100.00%	100.00%	100.00%	5 000	5 000
Bourse Africa (Kenya) Limited - incorporated in Kenya - Authorised capital at USD 1255 (Kenya Shillings 100 000 divided into 100 shares of Kenya Shilling 1000 each) - Subscribed and issued USD 1255 (Kenya Shillings 100 000)		100.00%	100.00%	100.00%	100.00%	1255	1255
Bourse Zambia Limited - Incorporated in Zambia - Authorised capital at USD 1000 (Zambian Kwacha 5 000 000 divided int o 500 shares of Kwacha 10 000 each) - Subscribed and issued USD 1000 (Zamb ian Kwacha 5 000 000)		100.00%	100.00%	100.00%	100.00%	1000	1000
Bourse South Africa Limited - Incorporated in South Africa - Authorised capital at ZAR 1000(1000 common no par values each, the company has subscribed 510 shares of no par value in the entity) Impairment of investment in subsidiaries		100.00%	100.00%	100.00%	100.00%	55	55
						73 380	73 380
Impairment of investment in subsidiaries		-%	-%	-%	-%	(73 380)	-
						-	73 380

The carrying amounts of subsidiaries are shown net of impairment losses. As at the year end, the company has assessed that its investments in subsidiaries have no realisable value due to the non commencement of operations by the subsidiaries and hence the entire investments are impaired.

Application of consolidation exemption

The annual financial statements presented are not consolidated annual financial statements as the entity qualifies for the consolidation exemption as mentioned in IFRS 10 - Consolidated Financial Statements.

The exemption is allowed provided that all of the following criteria are complied with:

- The entity is wholly owned or partially owned, where none of the other shareholders's object to the fact that consolidated annual financial statements are not prepared,
- The entity's debt or equity instruments are not traded in a public market,

- The entity did not file, and is not in the process of filing its annual financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instrument in a public market, and
- The entity's ultimate or intermediary parent produces consolidated annual financial statements available for public use which comply with International Financial Reporting Standards.

The ultimate holding company, Financial Technologies India Limited, produces consolidated annual financial statements available for public use. These annual financial statements can be obtained from www.ftindia.com.

5. LOANS FROM GROUP COMPANIES

(in US$)

Holding company	2014	2013
FT Group Investment Private Limited The loan from the holding company is unsecured and carries interest at 6%, and is repayable on demand. The holding company holds 99.9% of the equity of the company.	(5 512 986)	(4 200 000)
Fair value of loans to and from group companies		
The carrying amount of loans from group companies approximates its fair value.		

6. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below. The carrying amounts of the financial assets in each category are as follows:

Loans and receivables		
Cash and cash equivalents	129 207	119 519
Trade and other receivables	5 554	83 298
	134 761	202 817

7. ADVANCES AND PREPAYMENTS

In the prior years, the company had entered into an agreement with its ultimate holding company, Financial Technologies (India) Limited towards supply of software and technical know how. Software and technical know how were to be used as part of the commodity exchange business which the company intended to carry. Due to events as given in note 25, the company has assessed that the advances and prepayments made will not result in any inflow of economic benefits and hence does not carry any recoverable value. Under these circumstances, the entire advance and prepayments carried from prior periods of USD 30 750 000 is impaired.

(in US$)

8. TRADE AND OTHER RECEIVABLES	2014	2013
Other receivable	5 554	83 298
Deposits	2 538	-
Employee costs in advance	16 415	-
Prepayments	37 431	79 968
Value added tax	1 621	4 320
	63 559	167 586
Fair value of trade and other receivables The carrying amounts of trade and other receivables approximates its fair value.		
Trade and other receivables past due but not impaired There are no other trade and other receivables impaired.		
Trade and other receivables impaired As of 31 March 2014, trade and other receivables of $ 73 410 (2013: $ nil-) were impaired and provided for. The ageing of these trade and other receivables is as follows: Over 6 months	73 410	-
Reconciliation of provision for impairment of trade and other receivables Amounts written off as uncollectable	73 410	-

The creation and release of provision for impaired receivables have been included in operating expenses in profit or loss (note 15).

(in US$)

	2014	2013
9. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Bank balances	129 491	119 519
Credit quality of cash at bank and short term deposits, excluding cash on hand		
The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. Banks in Botswana are not rated, but are subsidiaries of banks incorporated in South Africa and United Kingdom.		
10. DISCONTINUED OPERATIONS OR DISPOSAL GROUPS OR NON-CURRENT ASSETS HELD FOR SALE		
The company on its own volition had requested its regulator in Botswana Non-Banking Financial Institution Regulatory Authority (NBFIRA), to cancel its commodity exchange and other licences, which was accepted by the regulator and licences duly cancelled. Further, the company does not intend to carry any commercial operations and is in the process of filing for voluntary liquidation. On this basis, all property, plant and equipment are classified as assets held for sale at their lower of fair value less cost to sell and its carrying value.		
Assets and liabilities		
Non-current assets held for sale		
Property, plant and equipment	166 577	-
11. STATED CAPITAL		
Reconciliation of number of shares issued:		
At the beginning of the reporting period	35 020 000	35 020 000
Reduction of share capital by cancellation of shares	(7 500 000)	-
	27 520 000	35 020 000
Issued		
27 520 000 (2013: 35 020 000) Ordinary shares of no par value	27 520 000	35 020 000
During the year, the company cancelled 7 500 000 its own shares. No gain or loss from such cancellation is recognised in these financial statements.		
12. TRADE AND OTHER PAYABLES		
Trade payables	401	-
Other payables to subsidiary companies	-	73 380
Accrued severance pay	18 701	51 838
Other payables	47 926	110 544
	67 028	235 762
Fair value of trade and other payables The carrying amounts of trade and other payables approximates its fair value.		

13. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below. The carrying amounts of the financial liabilities in each category are as follows:

Financial liabilities at mortised cost		
Trade and other payables	67 027	235 762

(in US$)

		2014	2013
14.	**REVENUE**	**2014**	**2013**
	Rendering of services	400 000	-
15.	**OPERATING LOSS**		
	Operating loss for the year is stated after accounting for the following:		
	Operating lease charges		
	Lease rentals on operating lease		
	• Contractual amounts	161 268	228 177
	Profit on sale of property, plant and equipment	15 767	-
	Impairments of other receivables	73 410	-
	Impairment of advances and prepayments	30 750 000	-
	Impairment on property, plant and equipment	15 547	-
	Impairment on businesses (or subsidiaries, joint ventures and associates)	73 380	-
	Loss on exchange differences	5 466	24 975
	Depreciation on property, plant and equipment	22 660	38 412
	Employee costs	831 516	1 217 059
16.	**FINANCE INCOME**		
	Interest revenue		
	Bank	10	1 737
17.	**Finance costs**		
	Bank	-	1 803
	Related companies	294 870	138 743
	Other interest paid	2 081	83
		296 951	140 629
18.	**TAXATION**		
	No provision for income tax expense is made due to the assessable losses of the company. Also, no deferred tax on these losses are recognised.		
19.	**AUDITORS' REMUNERATION**		
	Fees	6 403	6 933
20.	**CASH USED IN OPERATIONS**		
	Loss before taxation	(32 076 966)	(2 440 259)
	Adjustments for:		
	Depreciation and amortisation	22 660	38 412
	Profit on sale of assets	(15 767)	-
	Finance income	(10)	(1 737)
	Finance costs	296 951	140 629
	Impairment loss	30 838 927	-
	Movements in operating lease assets and accruals	(22 927)	4 748
	Changes in working capital:		
	Trade and other receivables	104 026	(85 820)
	Trade and other payables	(168 734)	127 391
		(1 021 840)	(2 216 636)
21.	**MOVEMENT IN INVESTMENTS (incl subs, JVs & Assoc)**		
	Fair value of assets acquired		
	Investment in shares of Bourse South Africa Limited	-	55

		2014	2013
			(in US$)
Consideration paid			
Consideration payable		-	(55)
Net cash outflow on acquisition			
Cash consideration paid		-	(55)

22. CONTINGENCIES

Certain employees and past employees of the company have initiated legal proceedings against it for settlement of their dues and calculation of PAYE taxes. The company has engaged its attorneys to defend the suit. As at the reporting date, no estimate of the potential liability or the probability of the company's ability to defend itself is available. Hence no adjustments have been made to these financial statements.

23. RELATED PARTIES

Relationships		2014	2013
Ultimate holding company	Financial Technologies India Limited		
Holding company	FT Group Investments Private Limited		
Subsidiaries	Refer to note 4		
Related companies	ICX Platforms (Proprietary) Limited		
	FT Knowledge Management Company Limited		
	Multi Commodity Exchange of India		
	Global Board of Trade		
Directors	Refer page 529		
Members of key management	Christopher Goromonzi		
	Abdool Rahim Khan		
Related party balances			
Loan accounts Owing (to) by related parties			
FT Group Investments Private Limited		(5 512 986)	(4 200 000)
Amounts included in Trade receivable (Trade Payable) regarding related parties			
Bourse Africa (Kenya) Limited		-	(1 255)
Bourse Exchange Nigeria Limited		-	(66 000)
Bourse South Africa Limited		-	(55)
Bourse Tanzania Limited		-	(70)
Bourse Uganda Limited		-	(5 000)
Bourse Zambia Limited		-	(1 000)
Christopher Goromozi		-	18 600
Financial Technologies India Limited		-	(7 156)
ICX Platforms (Proprietary) Limited		-	(7 189)
ICX Platforms (Proprietary) Limited		-	22 079
		-	(47 046)
Advances Software development			
Financial Technologies India Limited		-	25 000 000
Technical know how advances paid			
Financial Technologies India Limited		-	1 500 000
Advance Software delivery			
Financial Technologies India Limited		-	4 250 000

	2014	2013
		(In US$)
Related party transactions		
Interest paid to (received from) related parties		
FT Group Investments Private Limited	294 780	137 734
Multi Commodity Exchange of India	-	1 009
	294 780	138 743
Software license fees paid		
ICX Platforms (Proprietary) Limited	-	162 000
Consultancy fees paid to (received from) related parties		
Christopher Goromonzi	-	256 732
Compensation to directors and other key management		
Abdool Rahim Khan	-	1 602
Impairment loss on investment in subsidiary, advances and other receivables included under profit or loss		
Bourse Africa (Kenya) Limited	1 255	-
Bourse Exchange Nigeria Limited	66 000	-
Bourse South Africa Limited	55	-
Bourse Tanzania Limited	70	-
Bourse Uganda Limited	5 000	-
Bourse Zambia Limited	1 000	-
Financial Technologies India Limited	30 750 000	-
ICX Platforms (Proprietary) Limited	30 036	-
	30 853 416	**-**
Other income write back of liabilities		
Bourse Africa (Kenya) Limited	(1 255)	-
Bourse Exchange Nigeria Limited	(66 000)	-
Bourse South Africa Limited	(55)	-
Bourse Tanzania Limited	(70)	-
Bourse Uganda Limited	(5 000)	-
Bourse Zambia Limited	(1 000)	-
	(73 380)	**-**
Revenue		
Global Board of Trade	(400 000)	**-**
24. RISK MANAGEMENT		
Capital and other risk management		
Due to the circumstances given in note 25, the company has discontinued policies on risk management.		

25. GOING CONCERN

During prior years, the company had entered into several contracts with FTIL, the ultimate holding company for licensing and maintenance of exchange related software as well as provision of exchange related technical know how. Pursuant to these agreements, the company had made several advances and prepayments. The Board of the company has decided not to pursue the objective of setting up an exchange and waived their rights to receive and implement the software and technical know how and on its own volition, requested NBFIRA, the regulator of the company in Botswana to cancel its commodities exchange license in Botswana. NBFIRA has since duly cancelled the license. With these events, it is unlikely the company will become operational as a commodity exchange or any other exchange in manner anticipated in its constitution and business plan.

The holding company and the ultimate holding company have committed to infuse funds/ waive any loans granted to the company until such time the company is placed under liquidation., the company shall not continue as a going concern and the financial statements have been prepared under assumptions that do not include going concern.

DETAILED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2014

(in US$)

	Note	31st March 2014	31st March 2013
Revenue			
Rendering of services		400 000	-
Other income			
Gains on disposal of assets		15 767	-
Finance income	16	10	1 737
Reversal of liabilities		73 380	-
		89 157	1 737
Expenses (Refer below)		**(32 269 172)**	(2 301 367)
Operating loss	15	**(31 780 015)**	(2 299 630)
Finance costs	17	(296 951)	(140 629)
Loss for the year		**(32 076 966)**	(2 440 259)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(32 076 966)**	(2 440 259)

The supplementary information presented does not form part of the annual financial statements and is unaudited.

(in US$)

	Note	31st March 2014	31st March 2013
Operating expenses			
Advertising		-	(561)
Auditors remuneration	19	(6 403)	(6 933)
Bad debts		(73 410)	-
Bank charges		(8 485)	(13 893)
Cleaning		(1 316)	(5 497)
Computer expenses		(32 145)	(176 496)
Consulting and professional fees		(57 557)	(232 909)
Consumables		(7 550)	-
Depreciation, amortisation and impairments		(30 861 587)	(38 412)
Employee costs		(831 516)	(1 217 059)
Entertainment		(10 900)	(13 192)
Office renovations		-	(9 295)
Seminar & workshop fees		-	(69)
Insurance		(910)	(2 341)
Lease rentals on operating lease		(161 268)	(228 177)
Levies		-	(10 035)
Loss on exchange differences		(5 466)	(24 975)
Motor vehicle expenses		-	(21 798)
Other expenses		(2 803)	(26 085)
Postage		(3 611)	(3 094)
Printing and stationery		(5 851)	(11 353)
Repairs and maintenance		(14 706)	(5 666)
Staff welfare		(75 608)	(40 168)
Subscriptions		-	(512)
Telephone and fax		(33 310)	(47 158)
Travel		(74 770)	(154 638)
Utilities		-	(11 051)
		(32 269 172)	(2 301 367)

STATEMENT OF FINANCIAL POSITION (unaudited)

(in US$)

	2014	2013
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	1,255.00	1,255.00
Total Assets	**1,255.00**	1,255.00
Equity and Liabilities		
Equity		
Subscribed Share Capital	1,255.00	1,255.00
Accumulated loss	-	-
	1,255.00	1,255.00
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**1,255.00**	1,255.00

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2014	2013
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2012	**1,255.00**	**-**	**1,255.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 01 April 2013	**1,255.00**	**-**	**1,255.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 31 March 2014	**1,255.00**	**-**	**1,255.00**

STATEMENT OF FINANCIAL POSITION (unaudited)

(in US$)

	2014	2013
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	70.00	70.00
Total Assets	**70.00**	70.00
Equity and Liabilities		
Equity		
Subscribed Share Capital	70.00	70.00
Accumulated loss	-	-
	70.00	70.00
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**70.00**	70.00

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2014	2013
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2012	**70.00**	**-**	**70.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 01 April 2013	**70.00**	**-**	**70.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 31 March 2014	**70.00**	**-**	**70.00**

STATEMENT OF FINANCIAL POSITION (unaudited)

(in US$)

	2014	2013
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	1,000.00	1,000.00
Total Assets	**1,000.00**	1,000.00
Equity and Liabilities		
Equity		
Subscribed Share Capital	1,000.00	1,000.00
Accumulated loss	-	-
	1,000.00	1,000.00
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**1,000.00**	1,000.00

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2014	2013
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2012	**1,000.00**	**-**	**1,000.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 01 April 2013	**1,000.00**	**-**	**1,000.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 31 March 2014	**1,000.00**	**-**	**1,000.00**

STATEMENT OF FINANCIAL POSITION (unaudited)

(in US$)

	2014	2013
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	66,000.00	66,000.00
Total Assets	**66,000.00**	66,000.00
Equity and Liabilities		
Equity		
Subscribed Share Capital	66,000.00	66,000.00
Accumulated loss	-	-
	66,000.00	66,000.00
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**66,000.00**	66,000.00

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2014	2013
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2012	**66,000.00**	**-**	**66,000.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 01 April 2013	**66,000.00**	**-**	**66,000.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 31 March 2014	**66,000.00**	**-**	**66,000.00**

STATEMENT OF FINANCIAL POSITION (unaudited)

(in US$)

	2014	2013
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	5,000.00	5,000.00
Total Assets	**5,000.00**	5,000.00
Equity and Liabilities		
Equity		
Subscribed Share Capital	5,000.00	5,000.00
Accumulated loss	-	-
	5,000.00	5,000.00
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**5,000.00**	5,000.00

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2014	2013
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2012	**5,000.00**	**-**	**5,000.00**
Changes in equity	-		
Total comprehensive loss for the year	-		-
Total changes	-	-	-
Balance at 01 April 2013	**5,000.00**	**-**	**5,000.00**
Changes in equity	-		
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 31 March 2014	**5,000.00**	**-**	**5,000.00**

STATEMENT OF FINANCIAL POSITION (unaudited)

(in US$)

	2014	2013
Assets		
Non-Current Assets		
Property, plant and equipment	-	-
Current Assets		
Other receivables Share Subscription	55.00	55.00
Total Assets	**55.00**	55.00
Equity and Liabilities		
Equity		
Subscribed Share Capital	55.00	55.00
Accumulated loss	-	-
	55.00	55.00
Liabilities		
Current Liabilities		
Other payables	-	-
	-	-
Total Equity and Liabilities	**55.00**	55.00

STATEMENT OF COMPREHENSIVE INCOME (unaudited)

(in US$)

	2014	2013
Operating expenses	-	-
Operating loss	-	-
Finance costs	-	-
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive loss	-	-

STATEMENT OF CHANGES IN EQUITY

(in US$)

TOTAL EQUITY	STATED CAPITAL	ACCUMULATED LOSSES	TOTAL EQUITY
Balance at 01 April 2012	**-**	**-**	**-**
Changes in equity	55.00		
Total comprehensive loss for the year		-	-
Total changes	55.00	-	55.00
Balance at 01 April 2013	**55.00**	**-**	**55.00**
Changes in equity	-	-	-
Total comprehensive loss for the year		-	-
Total changes	-	-	-
Balance at 31 March 2014	**55.00**	**-**	**55.00**

GLOBAL PRESENCE

CORPORATE OFFICE

Financial Technologies (India) Ltd.
FT Tower, CTS No. 256 & 257, Suren Road, Chakala,
Andheri (East), Mumbai – 400 093, India.
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INTERNATIONAL OPERATIONS

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T: +97 155 708 0139

INDIA OPERATIONS

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EXCHANGE VENTURES (INDIA)

National Spot Exchange Ltd.
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T: +91 22 6761 9900
F: +91 22 6761 9931
info@nationalspotexchange.com
www.nationalspotexchange.com

Indian Energy Exchange Ltd.
100 A/1 Ground floor, Capital Court, Olof
Palme Marg, Munirka, New Delhi - 110 067.
T: +91 11 4300 4000
F: +91 11 4300 4015
info@iexindia.com
www.iexindia.com

ECOSYSTEM VENTURES

atom Technologies Ltd.
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F: +91 22 6686 4050
info@atomtech.in
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TickerPlant Ltd.
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EXCHANGE VENTURES (INTERNATIONAL)

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F: +973 16 511 599
info@bfx.bh
www.bfx.bh

Bourse Africa Ltd.
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Ebène, Republic of Mauritius.
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F: +230 464 7000
info@bourseafrica.com
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Bourse Africa (Botswana) Ltd.
52 Grosvenor Road, Fairway Office Park,
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FINANCIAL TECHNOLOGIES (INDIA) LIMITED
Regd. Office: Shakti Tower-1, 7th Floor, Premises-E, 766, Anna Salai, Thousand Lights, Chennai 600 002.
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www.ftindia.com

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of Financial Technologies (India) Limited ("the Company") will be held on Tuesday, the 23rd September 2014 at 2:00 P.M. at Kasturi Srinivasan Hall, The Music Academy, Madras, New no. 168 (old no. 306), TTK Road, Chennai - 600 014 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Profit & Loss Account for the year ended on that date together with the Schedules attached thereto, and the Reports of the Board of Directors' and Auditors' thereon.

2. To ratify the payment of Interim Dividend(s) made in financial year 2013-14 and to declare a Final Dividend on Equity Shares.

3. To appoint a Director in place of Mr. Dewang Neralla (DIN 00107134), who retires by rotation, and being eligible, offers himself for re-appointment.

4. To approve the appointment of M/s. Sharp & Tannan Associates, Chartered Accountants, Statutory Auditors of the Company, w.e.f. June 25, 2014 made by the Board of Directors of the company to fill the casual vacancy caused by the resignation of erstwhile Statutory Auditors, who shall hold office till the conclusion of ensuing Annual General Meeting. The following resolution, if thought fit, is to be passed, with or without modification(s), as an Ordinary resolution;

   "RESOLVED THAT pursuant to the provisions of section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Board of Directors of the Company, the appointment of M/s Sharp & Tannan Associates, Chartered Accountants, (ICAI Registration No. 109983W), as the Statutory Auditors of the Company w.e.f. June 25, 2014 till the conclusion of this Annual General Meeting of the Company, be and is hereby approved at a remuneration and reimbursement of out-of-pocket expenses, if any, as may be mutually agreed to, between the Board of Directors/Audit Committee and M/s Sharp & Tannan Associates."

5. To appoint Auditors and fix their remuneration and in this regard to consider and to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139-142 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act read with the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Sharp & Tannan Associates, Chartered Accountants, (ICAI Registration No. 109983W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting, at an annual remuneration and reimbursement of out-of-pocket expenses, if any, as may be mutually agreed to, between the Board of Directors/Audit Committee and M/s. Sharp & Tannan Associates."

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to provisions of Sections 149, 152, read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Venkat Chary (DIN: 00273036), who was appointed as an additional, Non-executive Independent Director on 10th October 2013, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from 23rd September 2014, subject to Mr. Venkat Chary satisfying the criteria of independence in terms of the Companies Act 2013 and the Listing Agreement, and shall not be liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to provisions of Sections 149, 152, read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Justice Rajan J. Kochar (Retd.) (DIN: 06710558), who was appointed as an additional, Non-executive Independent Director on 10th October 2013, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of

Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from 23rd September 2014, subject to Justice Rajan J. Kochar (Retd.) satisfying the criteria of independence in terms of the Companies Act 2013 and the Listing Agreement, and shall not be liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to provisions of Sections 149, 152, read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Achudanarayanan Nagarajan (DIN: 02107169), who was appointed as an additional, Non-executive Independent Director on 25th October 2013, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from 23rd September 2014, subject to Mr. Achudanarayanan Nagarajan satisfying the criteria of independence in terms of the Companies Act 2013 and the Listing Agreement, and shall not be liable to retire by rotation."

9. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to provisions of Sections 149, 152, read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rajendran Soundaram (DIN: 02686150), who was appointed as an additional, Non-executive Independent Director on 29th November 2013, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years commencing from 23rd September 2014, subject to Mr. Rajendran Soundaram satisfying the criteria of independence in terms of the Companies Act 2013 and the Listing Agreement, and shall not be liable to retire by rotation."

10. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

    "RESOLVED THAT pursuant to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, applicable Clauses of the Listing

Agreement with the Stock Exchanges where the securities of the Company are listed, the Companies Act, 1956 and other applicable laws for the time being in force, consent of the Company be and is hereby accorded to re-price the unexercised Employee Stock Options granted by the Company to the Employees of the Company (including the Directors of the Company but excluding Promoter Directors and promoter group) and to such persons who are in permanent employment of the subsidiary Company(ies) (including the Directors of the subsidiary Company(ies), whether working in India or abroad but excluding Promoter Directors and promoter group) under the Employee Stock Options Scheme – 2009 (ESOP 2009) at a discount of 25% on the closing price of the day prior to the meeting of the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Nomination and Remuneration Committee be and is hereby authorised on behalf of the Company to do all such things, deeds and acts and to execute and deliver all such instruments, documents, directions and writings and perform such other things as may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolution, including but not limited to, amending the ESOP 2009 Scheme.

RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary, be and are hereby severally authorized on behalf of the Company to inform/make necessary filings to the Stock Exchanges and/or applicable regulatory authorities about the re-pricing of stock options and completing all other necessary formalities as may be required.

RESOLVED FURTHER THAT the equity shares to be issued and allotted pursuant to the exercise of the Options shall rank pari passu in all respects with the existing equity shares of the Company."

11. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time, applicable Clauses of the Listing Agreement with the Stock Exchanges where the securities of the Company are listed, the Companies Act, 1956 and other applicable laws for the time being in force, consent of the Company be and is hereby accorded to re-price the unexercised Employee Stock Options granted by the Company to the Employees of the Company (including the Directors of the Company but excluding Promoter Directors and promoter group) and to such persons who are in permanent employment of the subsidiary Company(ies) (including the Directors of the subsidiary Company(ies), whether working in India or abroad but excluding Promoter Directors and promoter group) under the Employee Stock Options Scheme – 2010 (ESOP 2010) at a discount of 25% on the closing price of the day prior to the meeting of the Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the Board of Directors of the Company or the Nomination and Remuneration Committee be and is hereby authorised on behalf of the Company to do all such things, deeds and acts and to execute and deliver all such instruments, documents, directions and writings and perform such other things as may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolution, including but not limited to, amending the ESOP 2010 Scheme.

RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary, be and are hereby severally authorized on behalf of the Company to inform/make necessary filings to the Stock Exchanges and/or applicable regulatory authorities about the re-pricing of stock options and completing all other necessary formalities as may be required.

RESOLVED FURTHER THAT the equity shares to be issued and allotted pursuant to the exercise of the Options shall rank pari passu in all respects with the existing equity shares of the Company."

By Order of the Board

sd/-

Place: Mumbai

Date: 9th August, 2014

Hariraj Chouhan

Vice President &
Company Secretary

NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 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. A person appointed as proxy, shall act as a proxy for not more than 50 members and holding in aggregate not more than 10% of the total paid up share capital of the Company. A member holding more than 10% of the paid up share capital of the Company may appoint a single person as proxy and such person appointed cannot act as proxy for any other member.**

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. The relevant details as required by Clause 49(IV)(G)(i) of the Listing Agreements entered into with the Stock Exchanges, of Directors seeking appointment/re-appointment are annexed herewith.

6. 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 (except Saturdays) from 10.00 AM to 1.00 PM upto the date of the meeting.

7. The Register of Members and Share Transfer Books of the Company will remain closed from **20th September, 2014 to 23rd September, 2014 (both days inclusive)** in terms of the provisions of Section 91 of the Companies Act, 2013 and the applicable clauses of the Listing Agreement entered into with the stock exchanges.

8. 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 19th September, 2014. 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 19th September, 2014.

9. Pursuant to the provisions of Section 205A(5) and section 205C of the Companies Act, 1956, the Company has during the year transferred unpaid/unclaimed final dividend for the F.Y. 2005-06 and three Interim Dividends for the F.Y. 2006-07 to Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 25th September, 2013 (date of last Annual General Meeting) on the website of the Company i.e. www.ftindia.com under Investors section.

10. Those Members who have so far not encashed their dividend warrants from the financial year 2007-08 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.

11. The Company is pleased to provide evoting facility to its members in terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Clause 35B of the Listing Agreement. This facility is provided to the members to enable them to cast their votes electronically in respect of the businesses to be transacted at this Annual General Meeting through systems provided by Company's Registrar & Share Transfer Agent M/s Karvy Computershare Private Limited. Your Board of Directors has appointed Mr. B. Narasimhan, proprietor of M/s. BN & Associates, Company Secretaries, Mumbai, as the Scrutinizer for conducting the evoting process in a fair and transparent manner.

    The e-voting facility will be available during the following voting period:
    Commencement of e-voting : From 16th September 2014 at 10:00 am
    End of e-voting : Up to 18th September 2014 at 06:00 pm
    The cut-off date for the purpose of e-voting is 8th August 2014.

12. The Login ID and password for e-voting along with the process, manner and instructions for e-voting along with the physical copy of the Notice of the AGM is being sent to the members, who have not registered their e-mail IDs with the Registrar and Share Transfer Agent of the Company / Depository Participants. Those members who have registered their e-mail IDs with the Registrar and Share Transfer Agent / their respective Depository Participants are being forwarded the Login ID and password for e-voting along with the process, manner and instructions over e-mail.

13. 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, Vithalrao Nagar, Madhapur, Hyderabad 500 081, in respect of:

    i. Change in address

    ii. Consolidation of holdings

    iii. Residential status from NRI to Resident Indian or vice versa

    iv. Change in particulars of NRE Bank Account with complete address

14. 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.

15. 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 forthcoming Annual General Meeting.

16. Members seeking any further 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.

17. 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.

18. 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.

19. Re-appointment of Directors: Mr. Dewang Neralla (DIN 00107134) retires by rotation at the ensuing Annual General Meeting. The Director, being eligible, offers himself for re-appointment. The information relating to Mr. Dewang Neralla to be provided in terms of Clause 49 of the Listing Agreement entered into with the stock exchanges is annexed herewith.

20. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Registrar and Share Transfer Agent/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode. As per Green Initiative in Corporate Governance initiated by the Ministry of Corporate Affairs, members are requested to register their e-mail address with the Company's Registrar and Share Transfer Agent, M/s. KARVY Computershare Private Limited to receive the Annual Report and other Communication(s) from the Company in electronic mode.

By Order of the Board

sd/-

Hariraj Chouhan
Vice President &
Company Secretary

Place: Mumbai
Date: 9th August, 2014

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

Item No. 6 to 9

In terms of Section 149 of the Companies Act 2013, a Listed Company shall have at least one-third of the total number of directors as independent directors and pursuant to Clause 49 of the Listing Agreement, a company whose Chairman of the Board is a non-executive Director, at least one-third of the Board should comprise of independent directors.

Further, pursuant to sub-Section 7 and 8 of Section 149 of the said Act, the independent director shall give a declaration to the company that he meets the criteria of independence and he shall be abide by the provisions specified in Schedule IV "Code for Independent Directors" of the Companies Act 2013 respectively. An independent Director shall hold office for a term of 5 consecutive years on the Board of the Company, but shall be eligible for reappointment on passing of a special resolution by the Company and an independent director shall not be required to be retire by rotation in terms of Section 152 of the Act.

Out of 7 Directors on the Board of the Company, your Company presently has 4 (Four) non-executive Independent Directors on the Board of the Company who are eligible to be retired by rotation. Mr. Venkat Chary is Non-executive Chairman of the Board of the Company.

In terms of the aforesaid composition of the Board, your company complies with the provisions of Section 149 of the Companies Act 2013 as well as the Listing Agreement.

To bring the appointment of the independent directors in line with the provisions of the Companies Act 2013, the resolutions are proposed as ordinary resolutions, appointing the independent directors for a term which shall not exceed for a period of five years and shall not be required to be retire by rotation.

Except the appointing Independent Directors, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the Resolutions for your approval.

Item no. 10 & 11

With the objective of attracting and retaining employees, motivating and enabling employees to participate in the future growth of the Company, to achieve sustained growth of the Company and enhance shareholder value by aligning the interests of the Employees with the long term interest of the Company and to create a sense of ownership and participation amongst the employees, the Members of the Company passed a Special Resolution at the 21st and 22nd Annual General Meeting of the Company held on 25th September 2009 and 29th September 2010, respectively, authorising the Board/ Remuneration and Compensation Committee to grant upto 9,00,000 Stock Options each to certain eligible employees under the ESOP 2009 and ESOP 2010 scheme (Schemes).

The erstwhile Remuneration and Compensation Committee on 14th March 2012 based on shareholders' approval, granted 9,00,000 ESOP's each under Schemes respectively to eligible employees at a grant price of ₹ 770/- per Option. The said Committee granted on 5th March 2013, 1,86,630 Options (out of lapsed / cancelled Options) at a grant price of ₹ 807.70/- per Option. One Option is convertible into One Equity Share of Face Value ₹ 2/- each of the Company upon exercising.

These Options under the Schemes were granted at a market price pursuant to the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines"), post granting of Options to the employees, the price of the Company's shares have gone down significantly more particularly due to the crisis in one of the subsidiary of the Company. Therefore, the Options granted to the employee have become unattractive and for obvious reason none of the employees have exercised the Options on respective due dates, as a result, the employees could not derive any benefit out of the Options granted to them. The company has, therefore, thought it would be prudent to re-price these Options and further authorizes the Board/ Nomination and Remuneration Committee ("committee"), to re-price the Options at a discount of 25% on the closing price of the day prior to the meeting of the Nomination and Remuneration Committee to retain the employees and achieve the objective of the Schemes.

It is therefore proposed to obtain the approval of the Members on the proposed resolutions stated at Item 10 to 11 as Special Resolution and to authorize the Board/Committee to act in the manner set out in the proposed Special Resolutions.

None of the Directors of the Company are in any way concerned or interested in the Resolution.

The key managerial personnel of the company except promoter Directors are deemed to be interested in the Resolution to the extent of options granted to them.

To the best of our information and knowledge, none of the relatives of the Directors and the key managerial personnel of the company are interested in the Resolution.

The Board recommends the resolutions for the approval of Members.

By Order of the Board

sd/-

Place: Mumbai

Date: 9th August, 2014

Hariraj Chouhan

Vice President &
Company Secretary

DETAILS OF DIRECTORS SEEKING 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 appointment/re-appointment					
Name of the Director	**Mr. Venkat Chary**	**Justice R. J. Kochar (Retd.)**	**Mr. A. Nagarajan**	**Mr. S. Rajendran**	**Mr. Dewang Neralla**
Date of Birth	14/04/1940	21/10/1941	17/07/1948	12/01/1952	24/01/1969
Date of appointment on the Board	10/10/2013	10/10/2013	25/10/2013	29/11/2013	31/01/2012
Qualifications	B. Com. (Hons.) M. Com. (Cost Accountancy), LL.B., Diplome in Economics and Finance at Ecole National d'Administration, IAS (Retd.)	B. Com., LL.M., (Retd. Judge of Bombay High Court)	B.Sc., MBA, Post Graduate Diploma in Development Studies from University of Bath, B.L., Post Graduate Diploma (Intellectual Property Laws), M. Phil., M.L. (Intellectual Property Laws), IAS (Retd.)	M. Com., CAIIB	B.E.
Expertise in specific functional area	Extensive experience in Administration and Management, legal and finance.	Extensive experience in Labour and Industrial laws, Arbitration etc.	Extensive experience in Administration and Management	Commercial Banking and Enterprise-wise Risk Management	Chief Technology Architect and co-founder of the Company and plays a large part in creating the technology infrastructure that is central to the Group.
Directorship held in other companies (excluding foreign and private companies)	Indian Energy Exchange Ltd.	NIL	NIL	NIL	(i) atom Technologies Ltd., (ii) Boursa India Ltd., (iii) Financial Technologies Communications Ltd., (iv) Global Payment Networks Ltd., (v) Credit Market Services Ltd., (vi) Riskraft Consulting Ltd., (vii) Tickerplant Ltd., (viii)Trans-Global Credit & Finance Ltd., (ix) FT Projects Ltd. (x) Takshashila Academia of Economic Research Ltd.
Membership/ Chairmanship of committees across public companies	Indian Energy Exchange Ltd.-Chairman Audit Committee	NIL	NIL	NIL	(i) Atom Technologies Ltd.-Chairman Audit Committee (ii) TickerPlant Ltd.-Chairman Audit Committee
Number of shares held in the Company	NIL	NIL	NIL	NIL	60374

Financial Technologies
Creating Markets. Unlocking Value.™

FINANCIAL TECHNOLOGIES (INDIA) LIMITED
(CIN: L29142TN1988PLC015586)
Registered Office: Shakti Tower-1, 7th Floor, Premises-E, 766, Anna Salai, Thousand Lights, Chennai 600 002.
Tel: +91-22-6686 8010 | Fax: +91-22-6725 0257 | email: info@ftindia.com | www.ftindia.com

ATTENDANCE SLIP

I / We record my / our presence at the 'TWENTY SIXTH ANNUAL GENERAL MEETING' of the Company to be held on Tuesday, the 23rd September 2014 at 2:00 P.M. at Kasturi Srinivasan Hall, The Music Academy, Madras, New no. 168 (old no. 306), TTK Road, Chennai - 600 014.

Full Name of the Member(s) / Proxy……………………………………………………………………………………………………
(In Block Letters)
No. of Shares held ……
Folio No. / DP ID and Client ID……………………………………………………………………………………………………
Signature(s) of the Member(s) / Proxy 1 ………………………………………………… 2 ……………………………………………

Note: Members attending the meeting in-person or by proxy are requested to complete the attendance slip and deposit with the Company Officials at the venue of the Meeting.

………

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]
FINANCIAL TECHNOLOGIES (INDIA) LIMITED (CIN: L29142TN1988PLC015586)
Registered Office: Shakti Tower-1, 7th Floor, Premises-E, 766, Anna Salai, Thousand Lights, Chennai 600 002.

Name of the Member (s):	
Registered address:	
E-mail ID:	
Folio No./Client ID- DP ID:	

I/We, being the member(s) of _______ shares of the above named company, hereby appoint

1. Name: Address:
   E-mail Id: Signature:_______________, or failing him/her;
2. Name: Address:
   E-mail Id: Signature:_______________, or failing him/her;
3. Name: Address:
   E-mail Id: Signature: ______________________________

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty Sixth Annual General Meeting of the company, to be held on the 23rd day of September 2014 at 02:00 pm at Kasturi Srinivasan Hall, The Music Academy, Madras, New no. 168 (old no. 306), TTK Road, Chennai - 600 014. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors' thereon.
2. To ratify the payment of Interim Dividend(s) and to declare a Final Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Dewang Neralla, who retires by rotation and being eligible offers himself for re-appointment.

4&5. Appointment of Statutory Auditors and authorize the Board of Directors to fix their remuneration.

Special Business:

6. Appointment of Mr. Venkat Chary as Non-executive Independent Director not liable to retire by rotation.
7. Appointment of Justice Rajan J. Kochar (Retd.) as Non-executive Independent Director not liable to retire by rotation.
8. Appointment of Mr. A. Nagarajan as Non-executive Independent Director not liable to retire by rotation.
9. Appointment of Mr. S. Rajendran as Non-executive Independent Director not liable to retire by rotation.

10&11. Re-pricing of ESOP Schemes 2009 and 2010.

Signed this ____________ day of ________ 2014.

Signature of shareholder : ______________

Signature of Proxy holder (s) : ______________

Affix Revenue Stamp

Note: This proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.