

PART I

STATEMENT OF STANDALONE UNAUDITED / AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2015

(₹ in lacs except 'per share' data)

PARTICULARS	Quarter ended			Year Ended	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
	Audited*	Unaudited	Unaudited	Audited	Audited
1 a) Net Sales/Income from Operations	4,206.88	3,528.53	5,524.71	15,862.32	32,671.60
b) Other Operating Income	31.32	26.25	94.99	240.79	799.89
c) Total Income from Operations (Net)	4,238.20	3,554.78	5,619.70	16,103.11	33,471.49
2 Expenses					
a) Purchases of stock-in-trade	1.53	-	1.03	1.65	6.09
b) Employee benefits expense	3,393.51	3,103.74	3,635.30	12,091.10	12,275.19
c) Legal and professional charges	1,887.75	1,805.67	1,685.13	7,147.99	4,008.09
d) Depreciation and amortisation expense	907.09	971.43	1,248.45	3,905.73	3,074.86
e) Other expenses	2,255.94	1,386.75	1,529.91	6,086.04	5,134.58
f) Total expenses	8,445.82	7,267.59	8,099.82	29,232.51	24,498.81
3 Profit / (Loss) from Operations before Other Income, Finance costs and Exceptional items (1-2)	(4,207.62)	(3,712.81)	(2,480.12)	(13,129.40)	8,972.68
4 Other income (net) (Refer Note 3)	17,834.13	2,929.83	258.04	42,119.73	17,197.85
5 Profit / (Loss) before Finance costs and Exceptional items (3+4)	13,626.51	(782.98)	(2,222.08)	28,990.33	26,170.53
6 Finance costs	617.00	612.30	501.18	2,266.12	3,053.82
7 Profit / (Loss) after Finance costs but before Exceptional items (5-6)	13,009.51	(1,395.28)	(2,723.26)	26,724.21	23,116.71
8 Exceptional items (Refer Note 4)	(14,185.08)	453.33	(34,997.55)	24,282.09	(41,152.11)
9 Profit / (Loss) before tax (7+8)	(1,175.57)	(941.95)	(37,720.81)	51,006.30	(18,035.40)
10 Tax (credit) / expense	(609.17)	(455.71)	(595.55)	6,492.42	4,819.45
11 Net Profit / (Loss) for the period (9-10)	(566.40)	(486.24)	(37,125.26)	44,513.88	(22,854.85)
12 Paid-up equity share capital (Face value ₹ 2/- per share)	921.57	921.57	921.57	921.57	921.57
13 Reserves excluding revaluation reserves				277,072.63	240,028.64
14 Earnings per share (Face Value ₹ 2/- per share) (not annualised) (₹)					
(a) Basic	(1.23)	(1.06)	(80.57)	96.60	(49.60)
(b) Diluted	(1.23)	(1.06)	(80.57)	96.30	(49.60)

PART II

SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED MARCH 31, 2015

A PARTICULARS OF SHAREHOLDING					
1 Public shareholding					
a) Number of shares	25,052,659	25,052,659	25,052,659	25,052,659	25,052,659
b) Percentage of shareholding	54.37	54.37	54.37	54.37	54.37
2 Promoters and Promoter group shareholding					
a) Pledged/ Encumbered					
- Number of shares	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil
b) Non-encumbered					
- Number of shares	21,025,878	21,025,878	21,025,878	21,025,878	21,025,878
- Percentage of shares (as a % of the total shareholding of Promoters and Promoter group)	100.00	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the company)	45.63	45.63	45.63	45.63	45.63
B INVESTOR COMPLAINTS					
	Quarter Ended 31.03.2015				
Pending at the beginning of the quarter	NIL				
Received during the quarter	10				
Disposed of during the quarter	10				
Remaining unresolved at the end of the quarter	NIL				

NOTES:

1 STANDALONE STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS	As at		PARTICULARS	As at	
	31.03.2015	31.03.2014		31.03.2015	31.03.2014
	Audited	Audited		Audited	Audited
A EQUITY AND LIABILITIES			B ASSETS		
1 Shareholders' funds:			1 Non-current assets:		
(a) Share capital	921.57	921.57	(a) Fixed assets	42,883.53	46,533.78
(b) Reserves and surplus	277,072.63	240,028.64	(b) Non-current investments	98,001.87	52,378.58
Sub-total-Shareholders' funds	277,994.20	240,950.21	(c) Long-term loans and advances	26,911.98	88,324.89
2 Non-current liabilities:			(d) Other non-current assets	2,575.26	477.62
(a) Long-term borrowings	48,038.44	46,126.60	Sub-total-Non-current assets	170,372.64	187,714.87
(b) Deferred tax liabilities (net)	2,244.18	2,524.64	2 Current assets:		
(c) Other long term liabilities	1,201.57	536.26	(a) Current investments	138,187.78	75,337.32
(d) Long term provisions	863.44	1,087.94	(b) Trade receivables	1,662.78	6,775.60
Sub-total-Non-current liabilities	52,347.63	50,275.44	(c) Cash and cash equivalents	10,992.95	11,919.08
3 Current liabilities:			(d) Short-term loans and advances	8,320.63	34,486.97
(a) Trade payables	249.45	531.60	(e) Other current assets	13,257.62	1,449.25
(b) Other current liabilities	9,051.42	24,524.26	Sub-total-Current assets	172,421.76	129,968.22
(c) Short-term provisions	3,151.70	1,401.58			
Sub-total-Current liabilities	12,452.57	26,457.44			
TOTAL EQUITY AND LIABILITIES	342,794.40	317,683.09	TOTAL ASSETS	342,794.40	317,683.09

* Refer Note 21



Notes:

- The above financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their meetings held on May 22, 2015.
- The Board of Directors have recommended final dividend of ₹ 5/- per equity share of face value of ₹ 2/- each on equity share capital of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting of the company. During the year, the Company has paid three interim dividends aggregating to ₹ 12/- per share. Accordingly, total dividend for the year (subject to final dividend approval by the shareholders) aggregates to ₹ 17 /- per equity share of face value of ₹ 2/- each.

3. Other Income consists of: (₹ in lacs)

Particulars	Quarter ended			Year ended	
	Audited*	Unaudited	Unaudited	Audited	Audited
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
(a) Foreign Exchange (loss) / gain (net)	(327.26)	(919.71)	(3,389.65)	(2,127.03)	(2,922.56)
(b) Net gain on sale of Investments (net)	3,577.90	2,810.51	2,063.89	8,158.74	7,957.83
(c) Dividend income	-	-	239.29	16,916.97	3,310.37
(d) Interest Income	1,368.47	687.93	1,542.95	5,157.98	7,436.37
(e) Advances received written back	12,983.20	-	-	12,983.20	-
(f) Others (net)	231.82	351.10	(198.44)	1,029.87	1,415.84
	17,834.13	2,929.83	258.04	42,119.73	17,197.85

4. Exceptional item Consist of : (₹ in lacs)

Particulars	Quarter ended			Year ended	
	Audited*	Unaudited	Unaudited	Audited	Audited
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
a) Net gain on sale of equity shares / warrants	539.80	1,065.81	6,989.14	98,789.50	6,989.14
b) Provision of doubtful loans & advances to and trade receivables from subsidiaries	(258.59)	(612.48)	(35,042.24)	(1,280.59)	(36,696.81)
c) Diminution in value / write off of long term investments in subsidiaries	(14,466.29)	-	(6,944.45)	(73,226.82)	(11,444.44)
	(14,185.08)	453.33	(34,997.55)	24,282.09	(41,152.11)

- During the quarter ended March 31, 2015, the Company has made additional long term investments aggregating ₹ 1,973.23 lacs in subsidiaries.
- On conservative basis, the Company has not recognized interest income of ₹ 288.12 lacs for quarter and ₹ 1,761.29 lacs for year ended March 31, 2015 on outstanding loan from NSEL in view of the uncertainty involved in the ultimate collection.
- During the quarter ended December 31, 2014, without prejudice to the legal rights and remedies available under the law, the Company entered into Share and Warrant Purchase Agreements (SWPA)/ Warrant Purchase Agreements (WPA) with certain investors for sale of its 100% stake in MCX Stock Exchange Ltd (MCX-SX) and resultant profit for the quarter ended March 31, 2015 of ₹ 379.85 lacs and for the year ended March 31, 2015 ₹ 1,282.46 lacs (net of attributable expense) is grouped under 'Net gain on sale of Equity shares / Warrants in Exceptional items (Refer Note 4). The Company's shareholding (including warrants) in MCX-SX has become 'NIL'.
- During the quarter ended December 31, 2014, without prejudice to the legal rights and remedies available under the law, the Company has entered into Share Purchase Agreement (SPA) with certain Investors for sale of entire 25.64% equity stake on a fully diluted basis in Indian Energy Exchange Ltd (IEX). The said transaction is subject to fulfillment of certain condition precedents. Post completion of the above said transaction, the Company's shareholding in IEX will become "NIL".
- The Company has challenged before Appellate Tribunal the Central Electricity Regulatory Commission (CERC) Order dated May 13, 2014 which is stating that the Company cannot be considered as fit and proper person to hold the shares in power exchanges relying solely on FMC Order & SEBI Order. Final hearing is concluded before Appellate Tribunal in the month of January 2015 and the Appellate Tribunal has dismissed the appeal filed by the Company on February 4, 2015. On April 17, 2015 the Ld. Central Commission passed an order in Suo-Motu Petition No. SM/341/2013 inter-alia directing the Company to complete divestment of its shareholding in IEX by May 9, 2015. The Company filed Civil Appeal before Hon'ble Supreme Court challenging the CERC Order, Appellate Tribunal Order and Order dated April 17, 2015 which is pending for hearing. On 8th May, 2015, the



Hon'ble Supreme Court has issued notice in both the matters. Further, on May 19, 2015, Appellate Tribunal has granted time till June 18, 2015 for completing the divestment in IEX based on the application filled by the Company.

10. During the quarter ended December 31, 2014, the Board of FT Group Investments Pvt. Ltd. Mauritius., ("FTGIPL"), a wholly owned subsidiary of the Company has entered into Share Purchase Agreement (SPA) for sale of 100% of its stake in Bourse Africa Limited, Mauritius (together with its wholly owned subsidiary Bourse Africa Clear Ltd.) to Continental Africa Holdings Limited (CAHL), Mauritius, for US\$ 40.5 million, subject to certain conditions precedents including regulatory approvals. The shareholders of the Company with 99.975% majority approved the said transaction on February 20, 2015.
11. The Company has challenged the Order dated December 17, 2013 passed by the Forward Markets Commission (FMC) holding the Company not a fit and proper person to continue to be a shareholder of Multi-Commodity Exchange of India Ltd (MCX) by way of a Writ Petition before the Hon'ble Bombay High Court. On February 28, 2014, prayer for ad-interim relief was rejected by Hon'ble High Court but was pleased to admit the said Writ Petition. On November 17, 2014, the Hon'ble Bombay High Court rejected Notice of Motion filed by the Company due to change in circumstances for seeking stay on the FMC order. The Company filed SLP on November 27, 2014 before Hon'ble Supreme Court against order dated February 28, 2014 and November 17, 2014. On February 6, 2015 the Company withdrew the SLP. The Writ Petition is pending for hearing before the Hon'ble Bombay High Court.

Without prejudice to legal rights available within the law, the Company has divested its stake in MCX during the current financial year 2014-15 and as on date, the Company does not hold any share in MCX.

12. The Company has filed Civil Appeal on December 19, 2014, before Hon'ble Supreme Court challenging SEBI Order and SAT Order on "not a fit and proper person to hold shares in recognized stock exchanges. The Hon'ble Supreme Court admitted the Civil Appeal and Civil Appeal is pending for hearing.
13. The Company has received Draft Order of amalgamation of National Spot Exchange Limited (NSEL) with the Company under Section 396 (1) of the Companies Act, 1956 from Ministry of Corporate Affairs (MCA) on October 21, 2014. The Company has filed a Writ Petition before the Hon'ble Bombay High Court, inter alia challenging the draft Order issued by the Ministry of Corporate Affairs, dated October 21, 2014, for proposed forced amalgamation of NSEL with the Company. The Hon'ble High Court, Bombay, granted status quo in the said matter till February 4, 2015. On February 4, 2015, the Hon'ble High Court pronounced the judgment inter alia stating that:
 - a) the Company and other parties mentioned in the Order may file their objections within 30 days and within 4 weeks thereafter Central Govt. may pass appropriate order after giving brief hearing to all the interested parties.
 - b) it is further clarified that if any adverse order is passed by the Central Govt, then same shall not be notified for a period of two weeks after the order is communicated to the Company.
 - c) the Central Govt. may give brief hearing to the parties mentioned in Section 396 of the Companies Act 1956
 - d) in view of the above, the order of the status quo passed by the Hon'ble High Court on Nov 27, 2014 is vacated
 - e) notice of Motion by the Union of India and others is accordingly disposed off.
 - f) liberty is given to the parties to apply for a fixed date of hearing.

As per the above Order, the Company filed its objection with MCA. In meanwhile, MCA filed Chamber Summons in March 2015 seeking extension of time granted to the Central Government for considering 19000 suggestions and objections received from members and to pass order thereto and to complete the procedure as contemplated u/s 396 of the Companies Act, 1956 till 31.7.2015. The Hon'ble Bombay High Court has allowed said Chamber Summons filed by MCA.

14. The Union of India, Ministry of Corporate Affairs ("MCA"), has filed the Company Petition under Sections 397 and 398 read with Sections 388B, 388C, 401, 402, 403, 406 and 408 of the Companies Act, 1956 (the "Act") before the Principal Bench of the Company Law Board at New Delhi (the "CLB"). The Petition has been filed inter alia seeking removal and supersession of the Board of Directors of FTIL. The Company appeared before CLB protesting the action initiated by MCA. The matter is pending before CLB for consideration. No notice has yet been issued in the matter.



15. As at March 31, 2015, the Company had investments in certain subsidiaries and a joint venture company aggregating of ₹ 84,069.44 lacs and debts and other recoverable aggregating of ₹ 3,321.18 lacs (excluding NSEL and its subsidiaries) which presently have accumulated losses. The Company has a total provision of ₹ 74,393.47 lacs towards other than temporary diminution in the value of investments and ₹ 178.57 lacs towards loans and advances as at March 31, 2015 which are considered to be adequate for these investments and loans and advances.
16. a) During the previous 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 FTIL 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) and Central Bureau of Investigation (CBI) in connection with the NSEL event. After investigation, EOW has filed charge-sheets on January 06, 2014, June 04, 2014 and August 04, 2014. It is pertinent to note that so far the Company has not been named in the said charge-sheets. EOW investigation is in progress.
17. An FIR has been registered with the M.I.D.C Police station, District: Mumbai against the Company and others on the basis of complaint filed by one Mr. Ketan Shah on the basis of a report dated April 21, 2014 of PricewaterhouseCoopers Private Limited (PwC), uploaded by Multi Commodity Exchange of India Ltd (MCX) on the website of BSE Ltd on May 26, 2014, purported to be a "Special Audit Report" on MCX at the direction of Forward Market Commission. The matter is under investigation by the police.
- The Company believes that the said FIR is misguided and misconceived based on information in PwC Report as the report is not an audit report since PwC being Private Ltd Company is not an audit firm but provides advisory services. The alleged report was prepared by PwC based on a limited one-sided information without verifying the authenticity of the data, without following the procedure in accordance with generally accepted auditing standards or attestation standards and without taking any responsibility towards any person who acts in reliance of the contents of the Report. The Company is exploring appropriate legal options regarding the said FIR.
18. On February 28, 2015, the Chief Investigating Officer of the SIT, Economic Offences Wing, CB, CID, Mumbai ("EOW") issued a letter directing FTIL, inter alia, and "not to dispose of, alienate, encumber, part with possession of, or create any third party right, title, and/or interest in, to, upon or in respect of any of assets of FTIL, its subsidiaries, and its step down subsidiaries except for the payment of statutory dues, amounts for the preservation, maintenance and protection of their assets and wages and salaries under intimation to the Investigating agency and in the case of immovable properties, without the orders of the trial Court". The Company is seeking legal advice on the aforesaid letter from EOW.
19. The Company has a total MAT credit entitlement of ₹ 19,270.02 lacs as at March 31, 2015 including recognition of ₹ 10,081.20 lacs during the year ended March 31, 2015. The management of the Company is confident that the Company will be able to utilize unexpired MAT entitlement in future projected years.



20. Segment wise Revenues and Results (standalone):

(₹ in lacs)

Particulars	Quarter ended			Year ended	
	Audited*	Unaudited	Unaudited	Audited	Audited
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
Segment Revenue					
STP Technologies / Solutions	3,777.45	3,021.37	4,947.30	13,799.11	29,623.76
Others	460.75	533.41	672.40	2,304.00	3,847.73
Total Income From Operations	4,238.20	3,554.78	5,619.70	16,103.11	33,471.49
Segment Results					
STP Technologies / Solutions	1,743.08	678.10	3,419.20	4,521.02	19,945.02
Others	153.17	247.34	601.53	1,013.33	1,964.50
Total	1,896.25	925.44	4,020.73	5,534.35	21,909.52
Less : Finance Costs	617.00	612.30	501.18	2,266.12	3,053.82
Add : Unallocable Income [other income (net)]	17,834.13	2,929.83	258.04	42,119.73	17,197.85
Less : Unallocable Expenses	6,103.87	4,638.25	6,500.85	18,663.76	12,936.83
Add : Exceptional Item	(14,185.08)	453.33	(34,997.55)	24,282.09	(41,152.12)
Profit / (Loss) before tax	(1,175.57)	(941.95)	(37,720.81)	51,006.30	(18,035.40)

Notes:

- Segments have been identified in accordance with the Accounting Standard (AS 17) "Segment Reporting" considering the organisation structure and the return/risk profiles of the business.
 - STP Technologies / Solutions segment represents Straight through Processing Solutions and includes an integrated mix of various products, projects and activities incidental thereto. Others represent trading activities, process management services and shared business support and IT Infrastructure sharing services
 - Due to diversified nature of business, significant assets are interchangeably used between segments and the management believes that it is currently not practicable to provide segment disclosure relating to capital employed since a meaningful segregation is not possible.
21. The figures of the last quarter are the balancing figures between audited figures in respect of full Financial year and the published year to date figures upto the third quarter of the current Financial Year.
22. The Statutory Auditors vide their Independent Auditors Report dated May 22, 2015 issued the qualified opinion on the standalone audited financial results for the quarter and year ended March 31, 2015 and basis for qualified opinion and Management responses thereto are as under:-

As stated by the Management of the Company in Note 16 to above, 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 WP and Civil Suits. These matters are pending at various stages of adjudication. As stated in the said note, based on legal advice, the management of the Company does not foresee that the parties who have filed the WP, PIL, Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 16 & 17 to the statement, there are First Information Reports registered against various parties including the Company with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and MIDC, Police Station, Mumbai District.

In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said note to the Statement, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the Statement.

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the results for the quarter and year ended March 31, 2015.

Management Response: Refer Note 16 & 17 above.

23. Statement of Consolidated audited financial results for the year ended March 31, 2013 (as amended), March 31, 2014 and March 31, 2015:

Considering the developments with regards to National Spot Exchange Limited (NSEL), subsidiary Company of the Company, the Statutory Auditors of NSEL communicated to NSEL on September 21, 2013 that as per Standard on Auditing (SA) 560 – Subsequent Events, issued by the Institute of Chartered Accountants of India (ICAI), the audit report on Consolidated Financial Statements of NSEL for the year ended March 31, 2013 should no longer be relied upon and consequent to that the erstwhile Statutory Auditors of the Company, Deloitte Haskins & Sells (now converted to Deloitte Haskins & Sells LLP), also



vide their letter dated September 23, 2013 inter alia informed the Company that the audit reports dated May 30, 2013 issued by them on the Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2013 should no longer be relied upon. Subsequently, the erstwhile Statutory Auditors of the Company have submitted their Independent Auditors report on Standalone Financial Statements (as amended) for the year ended March 31, 2013 on November 29, 2013. However audit of NSEL Consolidated Financial Statements for the year ended March 31, 2013 (as amended) and for the year ended March 31, 2014 were delayed due to which the audited consolidated financial statements of the Company for the year ended March 31, 2013 (as amended) and for the year ended March 31, 2014 could not finalized and published. Since now the same are available, consolidated financial statements of the Company for the year ended March 31, 2013 (as amended), for the year ended March 31, 2014 and for the year ended March 31, 2015 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on May 22, 2015. Accordingly consolidated financial results of the Company for the year ended March 31, 2013 (as amended), for the year ended March 31, 2014 and for the year ended March 31, 2015 are as under:

(₹ in lacs)

PARTICULARS	Year Ended			
	31.03.2015	31.03.2014	31.03.2013	31.03.2012
	Audited	Audited	Audited (amended)	Audited
1 a) Net Sales/Income from Operations	19,112.13	55,729.87	73,508.52	48,798.85
b) Other Operating Income	1,838.37	1,063.57	1,163.67	1,324.52
c) Total Income from Operations (Net)	20,950.50	56,793.44	74,672.19	50,123.37
2 Expenses				
a) Purchases of stock-in-trade	2.18	14.37	56.65	290.48
b) Changes in inventory of stock-in-trade	0.43	(1.19)	5.01	(5.49)
c) Employee benefits expense	17,180.10	23,602.47	25,008.53	24,687.01
d) Legal and professional charges	10,272.62	9,206.22	2,209.57	2,236.40
e) Rent including lease rentals	340.35	7,662.59	6,957.70	6,588.62
f) Depreciation and amortisation expense	4,496.14	4,295.84	3,268.15	3,164.04
g) Other expenses	14,863.56	23,212.70	27,848.71	20,508.06
h) Total expenses	47,155.38	67,993.00	65,354.33	57,469.12
3 Profit / (Loss) from Operations before Other Income, Finance costs and Exceptional items (1-2)	(26,204.88)	(11,199.56)	9,317.86	(7,345.75)
4 Other Income (net) (Refer Note 24)	12,488.66	9,950.14	19,855.43	16,912.10
5 Profit / (Loss) before Finance costs and Exceptional items (3+4)	(13,716.22)	(1,249.42)	29,173.29	9,566.35
6 Finance costs	2,634.17	8,176.96	9,799.95	6,717.77
7 Profit / (Loss) after Finance costs but before Exceptional items (5-6)	(16,350.39)	(9,426.38)	19,373.34	2,848.58
8 Exceptional items -Net gain on sale of equity shares / warrants	65,631.14	94,436.33	-	19,660.61
9 Profit / (Loss) before tax (7+8)	49,280.75	85,009.95	19,373.34	22,509.19
10 Tax expense	6,648.20	4,846.76	12,469.37	6,208.90
11 Net Profit / (Loss) after taxes, but before minority interest and share of profit of associates (9-10)	42,632.55	80,163.19	6,903.97	16,300.29
12 Share of profit/(loss) of Associates	(0.12)	6,347.53	10,097.89	10,283.12
13 Minority Interest	(39.25)	(440.03)	(339.61)	178.17
14 Net Profit / (Loss) after taxes, minority interest and share of profit of associates (11+12-13)	42,671.68	86,950.75	17,341.47	26,405.24
15 Paid-up equity share capital (Face value ₹ 2/- per share)	921.57	921.57	921.57	921.57
16 Reserves excluding revaluation reserves	291,905.61	255,166.12	175,368.42	171,876.01
17 Earnings per share (Face Value ₹ 2/- per share)				
(a) Basic	92.61	188.70	37.63	57.30
(b) Diluted	92.31	188.09	36.79	57.30



AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT:				(₹ in lacs)	
PARTICULARS	31.03.2015	31.03.2014	31.03.2013	31.03.2012	
	Audited	Audited	Audited (amended)	Audited	
A EQUITY AND LIABILITIES					
1 Shareholders' Funds:					
(a) Share Capital	921.57	921.57	921.57	921.57	
(b) Reserves and Surplus	291,905.61	255,166.12	175,368.42	171,876.01	
Sub-total-Shareholders' Funds	292,827.18	256,087.69	176,289.99	172,797.58	
2 Minority Interest	161.53	598.99	1,152.23	1,489.39	
3 Non-current liabilities					
(a) Long-term borrowings	48,038.44	46,879.66	123,295.04	115,736.52	
(b) Deferred tax liabilities (net)	2,256.68	2,768.13	2,748.81	1,819.10	
(c) Other long term liabilities	1,170.64	584.36	1,007.07	614.78	
(d) Long term provisions	997.71	1,347.53	2,407.45	1,690.39	
Sub-total-Non - current Liabilities	52,463.47	51,579.68	129,458.37	119,860.79	
4 Current liabilities					
(a) Short-term borrowings	528.74	2,491.73	22,915.32	8,865.88	
(b) Trade payables	3,434.06	5,626.60	11,532.18	7,772.36	
(c) Other current liabilities	42,978.99	40,113.37	118,350.46	57,441.07	
(d) Short-term provisions	3,808.51	2,050.58	2,062.15	2,314.52	
Sub-total-current Liabilities	50,750.30	50,282.28	154,860.11	76,393.83	
TOTAL EQUITY AND LIABILITIES	396,202.48	358,548.64	461,760.70	370,541.59	
B ASSETS					
1 Non-current assets					
(a) Fixed assets	45,563.17	53,217.31	51,424.65	50,533.04	
(b) Goodwill on consolidation	111.28	465.58	736.70	1,356.18	
(c) Non-current Investments	51,587.07	8,146.55	58,607.99	54,782.88	
(d) Long-term loans and advances	31,586.23	22,385.24	23,021.18	26,906.66	
(e) Other non-current assets	6,467.22	5,060.00	2,234.48	6,685.61	
Sub-total-Non-current Asset	135,314.97	89,274.68	136,025.00	140,264.37	
2 Current Assets, Loans And Advances					
(a) Current investments	149,224.37	108,503.88	137,938.00	109,067.29	
(b) Inventories	639.94	5,561.51	37,482.62	18,490.05	
(c) Trade receivables	4,384.05	13,605.76	31,312.02	7,246.17	
(d) Cash and cash equivalents	53,495.37	78,531.31	64,295.68	66,819.77	
(e) Short-term loans and advances	33,253.35	53,555.05	11,805.47	24,613.13	
(f) Other current assets	19,890.43	9,516.45	42,901.91	4,040.81	
Sub-total-current Asset	260,887.51	269,273.96	325,735.70	230,277.22	
TOTAL - ASSETS	396,202.48	358,548.64	461,760.70	370,541.59	

24. Other Income of consolidated financial statements consist of:

(₹ in lacs)

Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012	
	Audited	Audited	Audited	Audited	
(a) Foreign Exchange (loss) / gain (net)	(2,119.70)	(3,671.25)	(606.21)	3,266.05	
(b) Net gain on sale of Investments (net)	8,341.80	4,124.28	968.01	1,653.31	
(c) Dividend income	4,683.01	1,322.57	4,899.09	4,714.04	
(d) Interest Income	3,097.81	2,424.84	6,800.43	2,183.38	
(e) Others (net)	(1,514.25)	5,749.70	7,794.11	5,095.32	
	12,488.66	9,950.14	19,855.43	16,912.10	



25. Consolidated Segment wise Revenues and Results:

(₹ in lacs)

Sr. no.	Particulars	31.03.2015	31.03.2014	31.03.2013	31.03.2012
		Audited	Audited	Audited (as amended)	Audited
1	Segment Revenue :				
	STP Technologies / Solutions	17,475.53	33,526.05	44,346.91	42,933.17
	Exchange Based	1,808.23	10,614.99	18,918.25	9,260.00
	Storage & Allied services	-	13,872.39	13,090.68	10,812.82
	Others	2,634.28	6,986.77	11,543.51	6,122.69
	Total	21,918.03	65,000.20	87,899.35	69,128.68
	Less: Inter segment Revenue	967.53	8,206.76	13,227.16	19,005.31
	Net Sales /Income From Operations	20,950.50	56,793.44	74,672.19	50,123.37
2	Segment Results :				
	STP Technologies / Solutions	1,846.83	18,255.44	22,068.21	28,187.65
	Exchange Based	(12,999.18)	(26,626.32)	(17,627.54)	(21,224.63)
	Storage & Allied services	(16.46)	7,019.26	4,633.26	845.24
	Others	(5,735.63)	(9,875.35)	(553.99)	6,022.22
	Total	(16,904.44)	(11,226.96)	8,519.94	13,830.49
	Less: Eliminations	(8,955.06)	(14,497.50)	(12,057.55)	4,403.69
	Net Segment Results	(7,949.38)	3,270.53	20,577.49	9,426.80
	Less: Finance Cost	2,634.17	8,176.96	9,799.95	6,717.77
	Add : Unallocable Income	12,488.66	9,950.14	19,855.43	16,912.10
	Less: Unallocable Expenses	18,255.51	14,470.10	11,259.63	16,772.55
	Add: Exceptional Item	65,631.14	94,436.33	-	19,660.61
	Profit/ (Loss) before tax	49,280.75	85,009.95	19,373.34	22,509.19

Notes:

- Segments have been identified in accordance with the Accounting Standard (AS 17) "Segment Reporting" considering the organisation structure and the return/risk profiles of the business.
- STP Technologies / Solutions segment represents straight through processing solutions and includes an integrated mix of various products, projects and activities incidental thereto. Exchange Based segment represents trading platform for multi assets class like commodity and forex based derivatives etc. Storage and Allied services represents warehousing and collateral management services. Other segment represents trading, procurement, process management, risk consultancy activities, Shared Business Support Services, IT Infrastructure Sharing, NBFC related activities, internet telecommunication services, and Training, Certification & Franchise Fees.
- Due to diversified nature of business, significant assets are interchangeably used between segments and the management believes that it is currently not practicable to provide segment disclosure relating to capital employed since a meaningful segregation is not possible.

26. The Statutory Auditors vide their Independent Auditors Report dated May 22, 2015 issued the qualified opinion on the Consolidated Audited Financial results for the year ended March 31, 2015 and basis for qualified opinion thereto are as under:-

I. Basis for Qualifications pertaining to the Company:

As stated by the Management of the Company in Note 16 above, 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 WP and Civil Suits. These matters are pending at various stages of adjudication. As stated in the said note, based on legal advice, the management of the Company does not foresee that the parties who have filed the WP, PIL, Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 16 & 17 to the statement, there are First Information Reports registered against various parties including the Company with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and MIDC, Police Station, Mumbai District.

In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said note to the Statement, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the Statement.

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the results for the quarter and year ended March 31, 2015.

Management Response: Refer Note 16 & 17 above.



- II. Basis for qualified opinion by the independent auditors of NSEL vide their audit report on the consolidated financial statements (CFS) of NSEL, are given as under, stating that as stated in the notes of consolidated financial statements of NSEL:
- a) pertaining to the issue of warehousing receipts and as per the explanations given by the Management of NSEL, investigating agencies are investigating genuineness of the warehouse receipt issued by NSEL. Its impact on financial statements, if any, can be ascertained only after investigations are concluded and order obtained from the court. Enforcement Directorate (ED) has applied provision of Prevention of Money Laundering Act, 2002 (PMLA) on defaulting members of NSEL and NSEL. Investigations are in progress as on the date of the Audit Report. In case of any adverse findings against NSEL, the same may have an effect on the financial position of one or more financial years.
 - b) which refers to the matter pertaining to regulatory framework for Spot Exchange and related compliance issues with respect to the Exemption Notification No. S.O. 906(E) dated 5th June, 2007 (issued by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India, under section 27 of the Forward Contracts (Regulation) Act, 1952). The doubts have been raised as to alleged non-compliance of two of the conditions specified in the said Exemption Notification. While NSEL has responded to Show Cause Notice (SCN) dated 27 April, 2012 vide letter dated 23rd May, 2012 and further correspondences made in August, 2012 and July, 2013, the adjudication thereof is pending from respective authorities and hence the possible consequences arising out of same on NSEL are not presently ascertainable. It is further stated that the Ministry of Finance, the Government of India, has withdrawn the aforesaid exemption notification w.e.f. 19th September, 2014.
 - c) NSEL has been served with notices/letters/summons from various statutory authorities /regulators /government departments and some purported aggrieved parties. There are some writ petitions, public interest litigations, civil suits including in representative capacity filed by and against NSEL. Such matters against NSEL are either in progress or sub judice before different forums. NSEL may have civil/criminal liability arising out of one or more of the proceedings initiated against NSEL.
 - d) the issue of legality of contracts traded on the Spot Exchange, the management of NSEL has clarified that all the contracts carried out on the Exchange were proper and in consonance with the local applicable laws and that there was no violation thereto. As far as availability of commodities are concerned, it is stated that there were systems and processes in place for deposit of commodities and generation of warehouse receipts and allocation of the same. NSEL believed existence of commodities in warehouse on account of the Depositing member's declarations, invoices submitted by the depositing members, the officials concerned in the NSEL at the relevant time being satisfied that there were commodities deposited, generation of warehouse receipt by the concerned officials. Further, due to various events, arising during FY 2013-14, NSEL had appointed an Internal Inquiry Committee (IIC) and also two forensic auditors after 31st July, 2013 for verification of certain aspects of accounting, internal controls, propriety of accounting policies etc. Pursuant to findings from investigations related to NSEL by aforesaid committee/forensic auditors material weaknesses were reported in certain areas of internal control system pertaining to Spot Exchange related services. There were instances where the commodities were found missing and there were instances of commodities being available partly or fully. This is part of the investigations by EOW, other investigation agencies.
 - e) in respect of effectiveness of internal controls, instances of circumventing of internal controls in some areas of operations on the Spot Exchange and in one of the group company viz IBMA, weakness in effectiveness of internal controls systems and control over financial reporting have been observed. Such instances were unearthed by various investigations carried out by IIC in the month of August 2013 and by a forensic auditor M/s. Grant Thornton India LLP in the month of September 2013 and by another forensic auditor M/s. Chokshi and Chokshi, Chartered Accountants in the month of February 2014.

There were irregularities which have been observed arising out of misuse of powers by ex-MD & CEO along with some senior officials of NSEL. As per explanations given by the current management of NSEL, some of the controls which were circumvented by the erstwhile management were lack of compliance with Rules, Bye laws and Business Rules of the Exchange by the defaulting members, laxity in terms of exemption from margin requirement to members, oversight over commodities which were stored in the warehouses belonging to certain members etc., the ex-MD & CEO at the relevant time had failed to disclose non-compliance issues to the Board of Directors of NSEL. As the final outcomes of such investigations are pending, we are unable to comment on the consequential impact, if any, in respect of the same in the Financial Statements.



As per group company viz. IBMA the holding Company NSEL had appointed Internal Inquiry Committee (IIC) which had examined certain transactions pertaining to SNP and had recommended further inquiry into the matter. In respect of effectiveness of internal controls systems and controls over the financial reporting, following weaknesses were observed in the findings carried out by forensic auditors Grant Thornton India LLP and Chokshi & Chokshi, Chartered Accountants in relation to transactions carried out with one related party SnP were not disclosed and segregation and earmarking of client margin was not done as was required under NSEL's bye laws, which was required of IBMA as a Institutional Trade and Clearing Member (ITCM) of NSEL. The weakness had been identified after the Balance Sheet date by subsequent investigations carried out by forensic auditors in this regards. Since the matter is for separate investigation and pending such investigation, we are unable to comment on the classification of such transaction in the books of accounts of IBMA.

The matters stated above could also have a consequential impact on the measurement and disclosure of information provided under, but not limited to statement of profit and loss, provision for tax, cash flow statement, segment information, and earnings per share for the year ended 31st March, 2015 in these Financial Statements.

- f) the trade receivables and other receivables are subject to confirmation and reconciliation. During the course of preparation of Financial Statements of respective Company viz NSEL and IBMA, letter of confirmations have been sent to various parties by the respective company with a request to confirm the balances as on 31st March, 2015. However, few confirmations have been received. The management of NSEL, however, does not expect any material changes on account of such reconciliation/ non receipt of the confirmation from parties. However the balances between NSEL and IBMA in respect of Exchange Operations are subject to reconciliation. In many cases legal notices have been sent to parties; however we are unable to form any opinion on recoverability of the outstanding balances of such parties.
- g) In earlier financial years, IBMA had rendered services to one M/s SnP Designs Pvt. Ltd. (SnP) relating to trade in future commodity contracts. At the end of the year a sum of ₹ 7,747.18 lacs was due and receivable on account of such services from SnP. The Managing Director and majority shareholder of SnP is Mrs. Shalini Sinha, the wife of Mr. Anjani Sinha(then Director and KMP of NSEL as well as IBMA). Such relationship was not informed by Mr. Anjani Sinha. No money has been received from SnP despite of substantial amounts due and outstanding. SnP denied having any liability to pay to the IBMA and the matter is under dispute. It has been informed by management of NSEL that such transactions were carried out on the instruction issued by erstwhile director of Company Mr. Anjani Sinha who was managing the affairs of company.
- h) IBMA has made provision for bad and doubtful debts for ₹ 2,049.66 lacs in case of receivables for sale and services entered by the IBMA. As per opinion formed by IBMA's Auditor, the Company should have provided 100% of all its bad and doubtful debts and other receivables. Accordingly, had this provided for entire amount as provision for bad and doubtful debts (including other receivables) the amount of provisions should have been higher by ₹ 4,097.93 lacs.
- i) NSEL may be exposed to liabilities in case of any adverse outcome of these investigations/enquiries or legal cases or any other investigations as referred to in (a) to (e) above enquires or suits which may arise at a later date. In the light of the above, the outcome of which is not presently known and is uncertain at this stage, we are not able to comment on the impact in respect of the same on these Consolidated Financial Statements of NSEL. Also, the matters stated above could also have a consequential impact on the measurement and disclosure of information provided, but not limited to, profit/(loss) before tax, provision for tax, cash flow statement, segment information and earnings per share for the year ended 31 March, 2015 in these Consolidated Financial Statements of NSEL.

Management Response: The Auditors qualifications on NSEL consolidated financial statements relating to the financial year ended March 2013 and March 2014 are carried forward in the financial year ended March 2015. Further, the consequential impacts of the aforesaid qualifications are dependent on the outcomes of the various investigations/ hearings pending in various Fora, and hence presently not known and is uncertain at this stage.



27. Previous year/period figures have been regrouped/reclassified, wherever necessary, to conform to current period's presentation.

For Financial Technologies (India) Limited



A handwritten signature in blue ink that reads "Prashant Desai".

Prashant Desai

Managing Director & CEO
DIN- 01578418

Place : Mumbai

Date : May 22, 2015

Corporate Office: FT Tower, CTS No 256-257, Suren Road, Chakala Andheri (East), Mumbai – 400093

To,
The Board of Directors,
Financial Technologies (India) Limited
Corporate office:
FT Tower, CTS no. 256 & 257,
Suren Road, Chakala,
Andheri (East),
Mumbai 400 093

Dear Sirs,

Sub: Auditors' Report on Consolidated Financial Results of Financial Technologies (India) Limited for the year ended March 31, 2015

Introduction

1. We have audited the accompanying Statement of Consolidated financial results ('the Statement') of Financial Technologies (India) Limited ('the Company') and its subsidiaries, associates and joint venture ('the FTIL Group') for the year ended March 31, 2015, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us. This Statement has been prepared on the basis of the Consolidated interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on this Statement based on our audit of such Consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with Rule 6 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

Scope of Audit

2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

Basis for Qualified Opinion

3. *As stated by the Management of the Company in Note 16 to the Statement, 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 WP and Civil Suits. These matters are pending at various stages of adjudication. As stated in the said note, based on legal advice, the management of the Company does not foresee that the parties who have filed the WP, PIL, Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 16 & 17 to the statement, there are First Information Reports registered against various parties including the Company with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and MIDC, Police Station, Mumbai District.*



In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said note to the Statement, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the Statement.

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the results for the quarter and year ended March 31, 2015.

4. We reproduce hereunder the 'Basis for Qualified Opinion' issued by the independent auditor(s) of a subsidiary viz. National Spot Exchange Limited ('NSEL') vide their audit report on the consolidated financial statements of NSEL, which also forms the basis for qualified opinion in our audit report on the accompanying Statement of the FTIL Group:

- a) *"As stated in note no. 53 of the Consolidated Financial Statements pertaining to the issue of warehousing receipts and as per the explanations given by the Management, investigating agencies are investigating genuineness of the warehouse receipt issued by the Company. Its impact on financial statements, if any, can be ascertained only after investigations are concluded and order obtained from the court. Enforcement Directorate (ED) has applied provision of Prevention of Money Laundering Act, 2002 (PMLA) on defaulting members and the Company. Investigations are in progress as on the date of the Audit Report. In case of any adverse findings against the Company, the same may have an effect on the financial position of one or more financial years."*
- b) *"As stated in note no. 56 read with note no. 1 to the Consolidated Financial Statements which refers to the matter pertaining to regulatory framework for Spot Exchange and related compliance issues with respect to the Exemption Notification No. S.O. 906(E) dated June 5, 2007 (issued by the Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India, under section 27 of the Forward Contracts (Regulation) Act, 1952). The doubts have been raised as to alleged non-compliance of two of the conditions specified in the said Exemption Notification. While the Company has responded to Show Cause Notice (SCN) dated April 27, 2012 vide letter dated May 23, 2012 and further correspondences made in August, 2012 and July, 2013, the adjudication thereof is pending from respective authorities and hence the possible consequences arising out of same on the Company are not presently ascertainable. It is further stated that the Ministry of Finance, the Government of India, has withdrawn the aforesaid exemption notification w.e.f. September 19, 2014."*
- c) *"As stated in note no. 60 & 61 to the Consolidated Financial Statements, the Company has been served with notices/letters/summons from various statutory authorities/regulators/government departments and some purported aggrieved parties. There are some Writ Petitions, Public Interest Litigations, Civil Suits including in representative capacity filed by and against the Company. Such matters against the Company are either in progress or sub judice before different forums. The Company may have civil/criminal liability arising out of one or more of the proceedings initiated against the Company."*
- d) *"As stated in note no. 58 & 59 to the Consolidated Financial Statements the issue of legality of contracts traded on the Spot Exchange, the management has clarified that all the contracts carried out on the Exchange were proper and in consonance with the local applicable laws and that there was no violation thereto. As far as availability of commodities are concerned, it is stated that there were systems and processes in place for deposit of commodities and generation of warehouse receipts and allocation of the same. NSEL believed existence of commodities in warehouse on account of the Depositing member's declarations, invoices submitted by the depositing members, the officials concerned in the NSEL at the relevant time being satisfied that there were commodities deposited, generation of warehouse receipt by the*



concerned officials. Further, due to various events, arising during FY 2013-14, the Company had appointed an Internal Inquiry Committee (IIC) and also two forensic auditors after July 31, 2013 for verification of certain aspects of accounting, internal controls, propriety of accounting policies etc. Pursuant to findings from investigations related to the Company by aforesaid committee/forensic auditors, material weaknesses were reported in certain areas of internal control system pertaining to Spot Exchange related services. There were instances where the commodities were found missing and there were instances of commodities being available partly or fully. This is part of the investigations by EOW, other investigation agencies."

- e) "As stated in note no. 63 to the Consolidated Financial Statements in respect of effectiveness of internal controls, instances of circumventing of internal controls in some areas of operations on the Spot Exchange and in one of the group company viz. Indian Bullion Market Association Limited ('IBMA'), weakness in effectiveness of internal controls systems and control over financial reporting have been observed. Such instances were unearthed by various investigations carried out by IIC in the month of August 2013 and by a forensic auditor M/s. Grant Thornton India LLP in the month of September 2013 and by another forensic auditor M/s. Chokshi and Chokshi, Chartered Accountants in the month of February 2014.

There were irregularities which have been observed arising out of misuse of powers by ex-MD & CEO along with some senior officials of the Company. As per explanations given by the current management of the Company, some of the controls which were circumvented by the erstwhile management were lack of compliance with Rules, Bye laws and Business Rules of the Exchange by the defaulting members, laxity in terms of exemption from margin requirement to members, oversight over commodities which were stored in the warehouses belonging to certain members etc., the ex-MD & CEO at the relevant time had failed to disclose non-compliance issues to the Board of Directors of the Company. As the final outcomes of such investigations are pending, we are unable to comment on the consequential impact, if any, in respect of the same in the Financial Statements.

As per group company viz. IBMA the holding Company NSEL had appointed Internal Inquiry Committee (IIC) which had examined certain transactions pertaining to SnP and had recommended further inquiry into the matter. As stated in Note no 63 of the Consolidated Financial Statements, in respect of effectiveness of internal controls systems and controls over the financial reporting, following weaknesses were observed in the findings carried out by forensic auditors Grant Thornton India LLP and Chokshi & Chokshi, Chartered Accountants in relation to transactions carried out with one related party SnP were not disclosed and segregation and earmarking of client margin was not done as was required under NSEL's bye laws, which was required of IBMA as an Institutional Trade and Clearing Member (ITCM) of NSEL. The weakness had been identified after the Balance Sheet date by subsequent investigations carried out by forensic auditors in this regards. Since the matter is for separate investigation and pending such investigation, we are unable to comment on the classification of such transaction in the books of accounts of IBMA.

The matters stated above could also have a consequential impact on the measurement and disclosure of information provided under, but not limited to statement of profit and loss, provision for tax, cash flow statement, segment information, and earnings per share for the year ended March 31, 2015 in these Financial Statements."

- f) "The trade receivables and other receivables are subject to confirmation and reconciliation. During the course of preparation of Financial Statements of respective Company, letter of confirmations have been sent to various parties by the respective company with a request to confirm the balances as on March 31, 2015. However, few confirmations have been received. The management, however, does not expect any material changes on account of such reconciliation/ non receipt of the confirmation from parties. However the balances between The Company and IBMA in respect of Exchange Operations are subject to reconciliation. In many cases legal notices have



been sent to parties; however we are unable to form any opinion on recoverability of the outstanding balances of such parties”.

- g) “As stated in note no. 41 of notes to accounts, in earlier financial years the IBMA had rendered services to one M/s SnP Designs Pvt. Ltd. (SnP) relating to trade in future commodity contracts. At the end of the year a sum of Rs.77,47,18,046/- was due and receivable on account of such services from SnP. The Managing Director and majority shareholder of SnP is Mrs. Shalini Sinha, the wife of Mr. Anjani Sinha (then Director and KMP of NSEL as well as IBMA). Such relationship was not informed by Mr. Anjani Sinha. No money has been received from SnP despite of substantial amounts due and outstanding. SnP denied having any liability to pay to the IBMA and the matter is under dispute. It has been informed by management that such transactions were carried out on the instruction issued by erstwhile director of Company Mr. Anjani Sinha who was managing the affairs of company.”
- h) “As stated in 5 (b) of basis of qualification in Auditors report of IBMA, IBMA has made provision for bad and doubtful debts for Rs 20,49,66,433/- in case of receivables for sale and services entered by the IBMA. As per opinion formed by IBMA’s Auditor, the Company should have provided 100% of all its bad and doubtful debts and other receivables. Accordingly, had this provided for entire amount as provision for bad and doubtful debts (including other receivables) the amount of provisions should have been higher by Rs 40,97,93,241/-.”
- i) “The Company may be exposed to liabilities in case of any adverse outcome of these investigations/enquiries or legal cases or any other investigations as referred to in 4(a) to 4(e) above enquires or suits which may arise at a later date. In the light of the above, the outcome of which is not presently known and is uncertain at this stage, we are not able to comment on the impact in respect of the same on these Consolidated Financial Statements. Also, the matters stated above could also have a consequential impact on the measurement and disclosure of information provided, but not limited to, profit/(loss) before tax, provision for tax, cash flow statement, segment information and earnings per share for the year ended March 31, 2015 in these Consolidated Financial Statements”.

Qualified Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consolidation of the reports of the other auditors referred to in ‘Other Matters’ paragraph below, *except for the possible effects of the matters specified under ‘Basis for Qualified Opinion’ paragraph*, the accompanying Statement:
- i. is presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - ii. gives a true and fair view of the net profit and other financial information for the year ended March 31, 2015.
6. Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.



Emphasis of Matter

7. We draw attention to Note 19 to the Statement, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of Rs. 19,270.02 Lacs as at March 31, 2015 including recognition of Rs. 10,081.20 Lacs during the year ended March 31, 2015. Based on the projections made by the Company's management regarding income-tax liability of the Company, Management is of the view that the Company will be able to utilise the unexpired MAT credit entitlement in projected years.
8. We draw attention to Note 13 to the Statement, which describes the receipt of the draft order proposing amalgamation of National Spot Exchange Limited with the Company. The Company has filed a Writ Petition before the Honourable Bombay High Court challenging the said order.
9. We draw attention to Note 14 to the Statement. Government of India has filed the Company Petition before the Principal Bench of the Company Law Board, under the Companies Act, 1956, seeking inter alia removal and supersession of the Board of Directors of the Company, which has been protested by the Company and the matter is pending before CLB for consideration.

Our opinion is not qualified in respect these matters of emphasis.

10. We reproduce hereunder the 'Emphasis of Matter' paragraphs issued by the independent auditor(s) of a subsidiary viz. NSEL vide their audit report on the consolidated financial statements of NSEL, which also forms the 'Emphasis of Matter' paragraphs in our audit report on the accompanying Statement of the FTIL Group:
 - a) "We draw attention to note no. 1 of the Consolidated Financial Statements. The reconstituted Board of Directors of the Company is of the view that in the short term its main challenge is to recover the money from defaulting members. As explained by the management, the Company is making all out efforts in recovering the amounts from defaulter members for settlement as well as its trade and other receivables. The holding company has committed to provide financial and other resources to NSEL for administrative and day to day expenses including legal and salary cost. The Company has continuing support from its holding company and on the basis of such support, business plans of the future & other factors, the accounts for the year ended March 31, 2015 are prepared on going concern basis. We have relied on the above mentioned explanations and information given by the Management."
 - b) "The Ministry of Corporate Affairs (MCA), Government of India has issued on October 21, 2014, a draft order of Amalgamation of the Company with its holding company, Financial Technologies (India) Limited, u/s. 396 of the Companies Act, 1956. The holding company has contested the same before the Bombay High Court and is currently *sub-judice*. As per the draft order of MCA, it has sought suggestions and objections of each of the stakeholders and the final outcome is pending."
 - c) "As stated in note no. 62, 63 and 66 of the Consolidated Financial Statements, there are some Writ Petitions, Public Interest Litigations, Civil Suits including in representative capacity filed by and against the Company. In the light of some of the litigations made against the Company by seller members, trading and clearing members as also defaulter members, holding the Company responsible as third party/central party counter guarantor, for ensuring payments towards pending settlements on Spot Exchange, which have arisen during financial year. In this regard, the management and those charged with the governance, have represented to us that there are no claims/litigations/potential settlements involving the Company directly or indirectly, which may require adjustments in the Financial Statements. In this regards the management believes that as per legal advice received from an expert, no such third party/central party counter guarantee was ever provided by the Company, and hence there shall not be any liability arising there from against the Company."



On October 21, 2014, the Ministry of Corporate Affairs, Government of India, issued a draft order suggesting that NSEL be amalgamated with FTIL as it is essential in public interest under Section 396 of Companies Act, 1956.

The government's draft order has been challenged by FTIL and certain shareholders of FTIL by way of Writ Petition in the Bombay High Court. Hon'ble Bombay High Court in its order passed on February 4, 2015 has inter alia ordered that the Central Government may consider passing final order after hearing contentions of NSEL and all other interested parties. NSEL is required to file their objections to the said draft order within 30 days and within 4 weeks thereafter Central Government to pass order after giving hearing to all interested parties. The High Court has further clarified that if any adverse order is passed by the Central Government, the same shall not be notified for a period of two weeks after the order is communicated."

- d) "We have solely relied on representation received from the Management in relation to the status of the Trade Receivable and Trade Payables, as few confirmations were available from the parties under Trade Receivable and Trade Payables."
- e) "IBMA has recorded a loss of Rs. 26,69,98,212 for the year and has resulted in complete erosion of the net worth of the Company as at March 31, 2015. There has been discontinuation of most of the activities carried out by the Company after July 31, 2013. There have been ongoing litigations and civil proceedings initiated against the Company. While the Company had defaulted in payments of dues to various tax authorities /affiliated members' constituents etc, as at March 31, 2015 due to lower cash inflows from existing receivable and virtual stoppage of major sources of income after July 31, 2013, there are fears of default in meeting such obligations in future. The management of the Company has agreed to provide all the required financial help to IBMA subject to compliance of Court/Regulatory requirements. Necessary adjustments may have to be made to the value of assets and liabilities in case the going concern concept is vitiated. The accompanying Financial Statements have been prepared based on cumulative impact of following mitigating factors to consider the Company as a going concern basis despite of accumulated losses.
- i. IBMA has appointed a whole time director in April 2015 to look into the day to day affairs of the company and the company has plans to take steps for revival or restoration of few of the business operations and to recover the outstanding receivables, in near future.
 - ii. Repayment of loan(s) received in subsequent financial year and interest accrued and due to holding Company is sought to be restructured with the support of the holding Company.
 - iii. Payment of liability on account of trading activity due to holding Company is sought to be restructured with the support of holding Company.
 - iv. The IBMA expect to receive continuing support from the Company, as was received in past.
 - v. The IBMA has prayed before high court to permit Company to infuse capital or loan to IBMA for payments of statutory dues, amount of preservation, maintenance and protection of their assets and wage and salaries which have been restrained in view of the earlier Court Orders."
- f) "Due to various events occurred during the earlier year, the operations of the Company have been adversely affected. Forward Market Commission (FMC) has given directions on August 14, 2013 to the Company not to transfer any amount to the IBMA including the amounts due and recoverable for earlier commercial transactions already carried out with NSEL. The Bombay High Court, while examining the issue of diversion of funds from certain types of contracts to payments for e-series contracts, had given directions to the Company vide its order dated October 7, 2013 had given directions to not to dispose of, alienate, encumber, part with possession of



or create any third party right, title and/ or interest in, upon or in respect of any of the assets, except for the payment of statutory dues, amounts for the preservation, maintenance and protection of their assets and wages and salaries without the written permission of the FMC and in the case of immovable properties, without the orders of the Bombay High Court. Hence Company could not make any payment to the IBMA. The IBMA has approached Hon'ble Bombay High Court praying inter-alia to permit company to infuse capital or loan to IBMA for payment of statutory dues, amounts for preservation, maintenance and protection of assets and wages and salaries."

11. We reproduce hereunder the 'Emphasis of Matter' paragraph issued by the independent auditor(s) of a subsidiary viz. FT Group Investments Pvt. Ltd. ('FTGIPL') vide their audit report on the consolidated financial statements of FTGIPL, which also forms the 'Emphasis of Matter' paragraphs in our audit report on the accompanying Statement of the FTIL Group:

"We draw attention to Note 20 to the consolidated financial statements which describe the basis of preparing these consolidated financial statements and the fair value of investments."

12. We reproduce hereunder the 'Emphasis of Matter' paragraph issued by the independent auditor(s) of an associate viz. SME Exchange of India Limited ('SME') (treated as an associate till January 21, 2015) vide their audit report on the financial statements of SME, which also forms the 'Emphasis of Matter' paragraphs in our audit report on the accompanying Statement of the FTIL Group:

"We draw attention to the following matters in the notes to the financial statements:

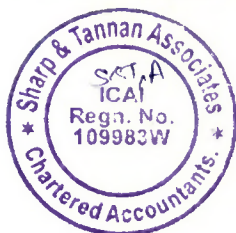
Note No. 1 of the Financial Statement which, describes that Board of directors in their meeting held on January 19, 2015 recommended that the company be wound up and decided January 21, 2015 as its cut-off date. Since the Company is under process for Voluntary winding up, the assumptions of going concern is not considered while drawing up Financial statements of the Company. The financial statements of the Company have been prepared for the Period April 1, 2014 to January 21, 2015."

Our opinion is not qualified in respect of matters stated above.

Other matters

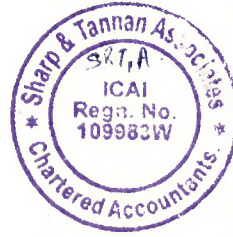
We did not audit the financial statements of thirteen subsidiaries and consolidated financial statements of two subsidiaries included in the consolidated financial statements of the FTIL Group, whose financial statements/consolidated financial statement reflect total assets of Rs.143,190.96 Lakhs as at March 31, 2015; as well as the total revenue of Rs.43,602.28 Lakhs and net cash outflow amounting to Rs.(21,315.81) Lakhs for the year then ended. We further report that in respect of two associates, we did not carry out the audit. The consolidated financial statements of the FTIL Group include the net carrying cost of investment of Rs.Nil Lakhs and current year share of net profit/(loss) of Rs.Nil Lakhs in respect of these associates. These financial statements/consolidated financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the accompanying Statement, to the extent they have been derived from such financial statements/consolidated financial statements is based solely on the report of such auditors.

We further report that in respect one joint venture included in the consolidated financial statements of the FTIL Group, whose consolidated financial statement reflect total assets of Rs.22,777.95 Lakhs as at March 31, 2015; as well as the total revenue of Rs.1,765.55 Lakhs and net cash outflow amounting to Rs.(244.02) Lakhs for the year then ended, has been certified by management and has been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of this joint venture, is based solely on this certified consolidated financial statement. Since the consolidated financial statements for the financial year ended March 31, 2015, which were compiled by management of this company, were not audited, any adjustments to their balances could have consequential effects on the attached Statement. However, the size of this joint venture, in the consolidated position is not significant in relative terms.



Our opinion is not qualified in respect of other matters.

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



A handwritten signature in blue ink, appearing to read "Tirtharaj Khot".

Tirtharaj Khot
Partner

Membership No. (F) 037457

Mumbai, May 22, 2015

A small, circular handwritten mark or signature in blue ink, possibly containing the letters "DSC".

To,
The Board of Directors,
Financial Technologies (India) Limited
Corporate office:
FT Tower, CTS no. 256 & 257,
Suren Road, Chakala,
Andheri (East),
Mumbai 400 093

Dear Sirs,

Sub: Auditors' Report on Standalone Financial Results of Financial Technologies (India) Limited for the quarter and year ended March 31, 2015

Introduction

1. We have audited the accompanying Statement of Standalone Financial Results ('the Statement') of Financial Technologies (India) Limited ('the Company') for the quarter and year ended March 31, 2015, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us. This Statement has been prepared on the basis of the standalone interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on this Statement based on our audit of such standalone interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India.

Scope of Audit

2. We conducted our audit of the Statement in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

Basis for Qualified Opinion

3. *As stated by the Management of the Company in Note 16 to the Statement, 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 WP and Civil Suits. These matters are pending at various stages of adjudication. As stated in the said note, based on legal advice, the management of the Company does not foresee that the parties who have filed the WP, PIL, Civil Suits would be able to sustain any claim against the Company. In addition, as stated by the management in note 16 & 17 to the statement, there are First Information Reports registered against various parties including the Company with the Economic Offences Wing of the Mumbai Police (EOW), Central Bureau of Investigation (CBI) and MIDC, Police Station, Mumbai District.*



In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said note to the Statement, there are no claims, litigations, potential settlements involving the Company directly or indirectly which require adjustments to/disclosures in the Statement.

In the light of the above representations regarding the ongoing investigations and matters, the outcome of which is not known and is uncertain at this stage, we are unable to comment on the consequential impact in respect of the same on the results for the quarter and year ended March 31, 2015.

Qualified Opinion

4. 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 matter specified under 'Basis for Qualified Opinion' paragraph*, the accompanying Statement:
 - i. is presented in accordance with the requirements of clause 41 of the Listing Agreement in this regard; and
 - ii. gives a true and fair view of the net (loss)/profit and other financial information for the quarter and year ended March 31, 2015.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the company in terms of clause 35 of the Listing Agreement and found the same to be correct.

Emphasis of Matter

5. We draw attention to Note 19 to the Statement, regarding utilisation of unexpired MAT credit entitlement by the Company. The Company has a total MAT credit entitlement of Rs. 19,270.02 Lacs as at March 31, 2015 including recognition of Rs. 10,081.20 Lacs during the year ended March 31, 2015. Based on the projections made by the Company's management regarding income-tax liability of the Company, Management is of the view that the Company will be able to utilise the unexpired MAT credit entitlement in projected years.
6. We draw attention to Note 13 to the Statement, which describes the receipt of the draft order proposing amalgamation of National Spot Exchange Limited with the Company. The Company has filed a Writ Petition before the Honourable Bombay High Court challenging the said order.
7. We draw attention to Note 14 to the Statement. Government of India has filed the Company Petition before the Principal Bench of the Company Law Board, under the Companies Act, 1956, seeking inter alia removal and supersession of the Board of Directors of the Company, which has been protested by the Company and the matter is pending before CLB for consideration.

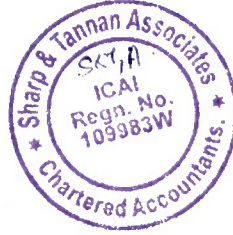
Our opinion is not qualified in respect these matters of emphasis.

Other Matters

8. The standalone financial statements of the Company for the year ended March 31, 2014, were audited by another auditor whose report dated May 30, 2014 expressed modified opinion on those statements.



9. Figures for the quarter ended March 31, 2015 are the balancing figures between audited figures of the full financial year and year to date published figures upto the quarter and nine month ended December 31, 2014.



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

A handwritten signature in blue ink, appearing to read "Tirtharaj Khot".

Tirtharaj Khot
Partner
Membership No. (F) 037457

Mumbai, May 22, 2015

A small, handwritten mark or signature in blue ink, possibly a date or initials, located below the main signature.