

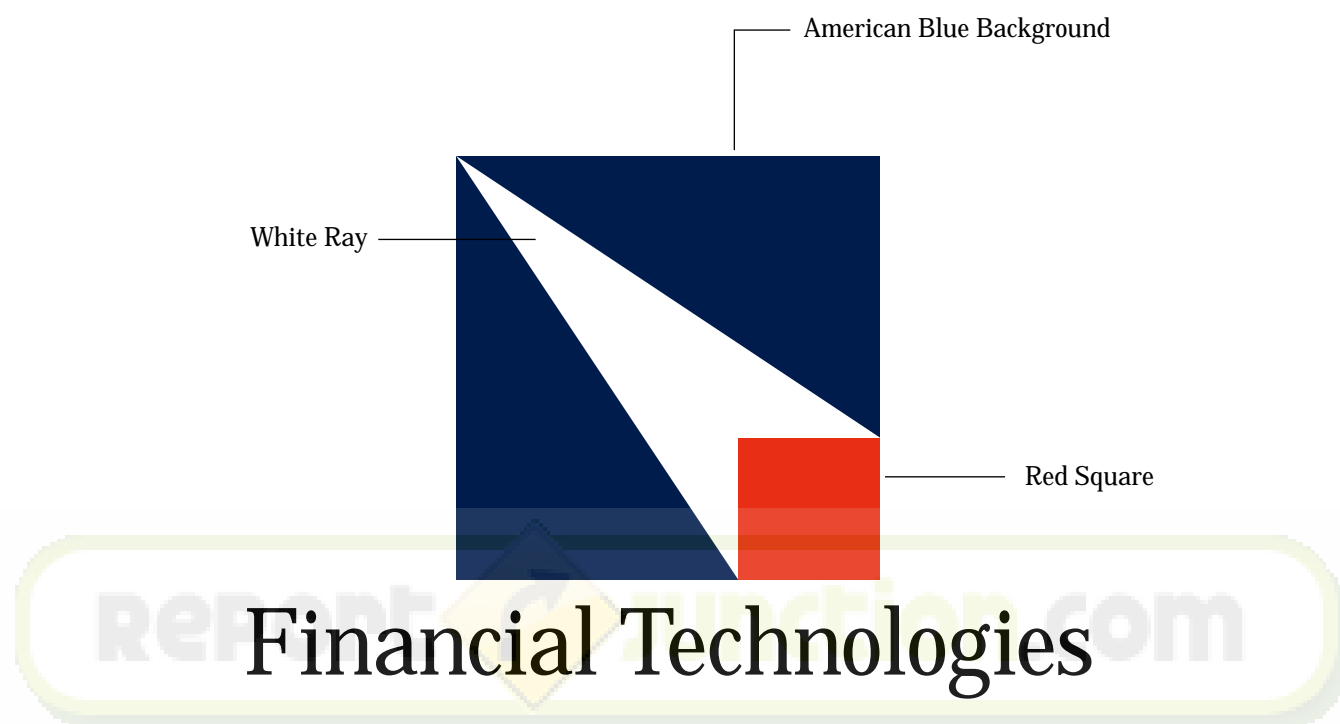


Financial Technologies

Powering e-Xchange Markets

FINANCIAL TECHNOLOGIES (INDIA) LIMITED
A N N U A L R E P O R T 2 0 0 0 - 2 0 0 1

Inside Front Cover



Financial Technologies' (FT) logo is unique, in the sense that it captures the spirit and the corporate philosophy of the company.

The insignia is a square with the "sharp, perpendicular corners" signifying equality (sides of equal size) and reflecting clarity and the company's endeavor for perfection (90-degree corners).

The representation of the elements in the logo is as follows:

White Ray: FT's clear focus and vision for its objectives

Red Square: The niche that FT operates in (mission critical / OLTP applications for the financial services industry) and its aggression and perseverance.

American Blue Background: The professional conduct, our sense of responsibility and the opportunity space for FT.

BOARD OF DIRECTORS**Executive**

Jignesh Shah, Chairman & Managing Director
 Dewang Neralla
 Sajit Dayanandan
 Mahesh Joshi

Non-executive

P. G. Kakodkar
 C. Subramaniam
 Ravi Sheth
 Ashish Dalal

COMPANY SECRETARY

V. Venkitasubramani

ADVISORY BOARD

Nilesh Vira
 Kanu Doshi
 C. Kamdar

MANAGEMENT COMMITTEE

Jignesh Shah, Chairman & Managing Director
 Dewang Neralla, Chief Technology Architect
 Sajit Dayanandan, Chief Information Officer
 Mahesh Joshi, Chief Financial Officer
 Ajay Narasimhan, Director-Corporate Strategy & Communications
 V. Hariharan, Chief Technology Officer

AUDITORS

Deloitte Haskins & Sells

LEGAL ADVISORS

Crawford Bayley & Co.

BANKERS

Union Bank of India
 The Bank of Punjab Ltd.
 HSBC Ltd.

SHARE TRANSFER AGENTS

Intime Spectrum Registry P. Ltd.
 2nd Flr, Shanti Industrial Estate,
 Sarojini Naidu Road, Tambe Nagar,
 Mulund (W), Mumbai 400 080

REGISTERED OFFICE

A-3, Gajel, 152, Greams Road, Chennai 600 006

CORPORATE OFFICE

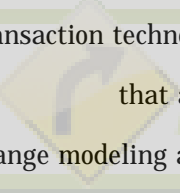
Krishna Bhavan, 67, Nehru Road, Vile Parle (E), Mumbai 400 057

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“POWERING **e**-EXCHANGE MARKETS ”

Financial Technologies would provide
transaction technologies to e-marketplaces
that are based on
Exchange modeling and transact in instruments
that can be digitized and distributed
using the online channel.

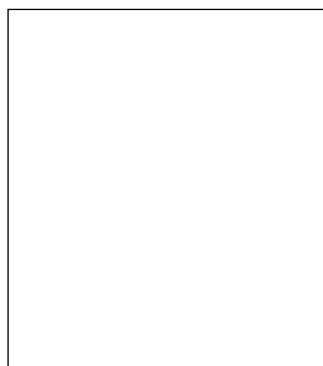
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CHAIRMAN'S STATEMENT

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This is my first address to you as Chairman of Financial Technologies (India) Limited, a company in which, I have no doubt, you will be a proud shareholder. Since this document is our first Annual Report as a merged entity, I urge you to peruse it carefully as we have tried to clearly put forward information on who we are, what we do, which markets we operate in and where we intend to be in the foreseeable future.

The past few years have witnessed tremendous growth and dramatic changes in the manner in which the Internet economy has evolved, redefining the way businesses were run traditionally. This change has been profound in the financial services industry that requires streamlined distribution channels, global reach and instant access.

Technology with its ability to create new markets, expand distribution networks, empower customers and reduce operating cost has a huge impact on both the strategic and operational front of e-Exchange based trading. The technological imperatives for any successful e-Exchange based trading are application / platform scalability, speed of execution, open architecture design, e-security components, bandwidth availability and most importantly, a long term technology strategy to survive and grow.

In the beginning of 1999, we realized this potential and started working on a high end Internet Trading Engine. In line with our strategy to develop revolutionary products, we were one of the first companies in the country to introduce its Internet based transaction engine, NeT.net™, in 2000. This product successfully charted our

entry into the dynamic “new economy” and established us as leaders in the emerging world of e-business.

For customers who were looking for single stop technology solution, we successfully built technology components and products which would deliver this value to our customers and introduced the country's first end-to-end e-broking solution, the FT e.Cosystem™. The objective to deliver this integrated solution was very clear – provide our clients with the most efficient “Total Cost of Ownership” model.

End users as well as broking firms are increasingly demanding technology solutions that support heterogeneous delivery channels and access devices such as leased line, dial-up, Vsat, wireless, PDAs, Interactive TVs etc. In all, the overall attempt has been to create virtual marketplaces or the emerging

- Global trend for IT investments in Financial Services industry
- Serious moves towards the Central Limit Order Book
- Industry initiatives towards adopting T+1 basis for shorter settlement cycles and also for reducing the transaction failure rates
- Technologies that enable Multi Device / Multi Delivery Channels

“Courage of Conviction. Power of Perseverance.”

e-Marketplace. The concept of the 3Cs of Content, Connectivity and Commerce can now be given a new tag of 3Ds; Decide, Digitize and Distribute. Clearly the need is to attain critical mass based on these new elements that ensure seamless interfaces between information access, data transmission and online distribution.

Globally the new business model that is clearly emerging as an alternative to the existing buyer-seller transaction is the B2B e-Marketplace. It is becoming increasingly clear that the key to attain critical mass for the Next Generation B2B e-Marketplaces are deep industry knowledge and differentiating technology (that is liquidity and transaction density), attributes demonstrated by Financial Technologies that has given it its leadership status.

Market participants in consultation with the regulatory authorities have devised plans to shift towards a CLOB transaction environment, thereby endorsing the market economics of a single pocket matching Central Order Book environment. With our proven capability in delivering mission critical Exchange Bridge Technology™ (EBT) solution for a Central Order Book environment, we are ideally positioned to take advantage of this global market change. Our end-to-end Straight Through Processing technology will enable us to deploy both our front office as well as back office solution in the global securities industry.

Your management has the right vision and roadmap in converting these opportunities into accelerated growth and position itself as a high-end global technology player in the financial services domain.

GOING FORWARD...

To evolve as a globally competitive organization, we are going to focus aggressively on our principal goal of customer satisfaction and delight, and continue our commitment to our customers as their preferred technology partners.

To achieve this goal, we propose to set up processes for achieving customer confidence and have already initiated various quality related processes. We will streamline and standardize various processes that are presently being followed in the organization, to bring greater harmony and integration amongst our various business units.

Our soon to be released NeXT Generation Trading Platform™ further reinforces our commitment to deliver constant innovations. This would raise the "technology quotient" to a new high. Moreover, the

Annual Report 2000-2001

way financial markets are shaping up, there would be greater user demand for customized and personalized trading systems that gives them anywhere, anytime and any device access.

Application Service Providers (ASP) will be the emerging phenomenon, giving customers the necessary flexibility to concentrate on their core business and outsource technology to focused verticals segments players, such as us. This would emerge as a key driver of growth in the coming years for the Internet based e-Xchange trading markets and also introduce economies of scale in operations.

Also, wireless communication will be playing a critical role in elevating the current levels of services in the financial services industry. For Financial Technologies, this would be an area of thrust, in the immediate future. Our focus would be on introducing cutting edge technology/products capable of functioning on a multitude of systems and devices. Establishing us as a strong player that deploys transaction technologies across the entire spectrum of devices from "Desktop... to Laptop... to Palmtop". Delivering cross-platform, cross-devices and cross-channel Straight Through Processing technologies.

Markets globally are going through a structural change and this would, by the nature of our business model, present us with both a challenge and opportunity. Innovation, and introduction of new technologies have been and will continue to be the drivers of the widespread acceptability of our products.

We at Financial Technologies are extremely happy and proud of our achievements and would like to take this opportunity to thank our shareholders, employees, business partners and vendors for providing us their constant support and commitment in our journey towards greater heights.

– Jignesh Shah
Chairman & M.D.

"Courage of Conviction. Power of Perseverance."

