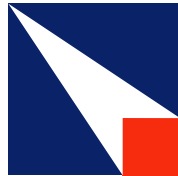


Registered Office
Financial Technologies (India) Ltd.
141, Grems Road, III Floor
Chennai, TN - 600 006,
India.

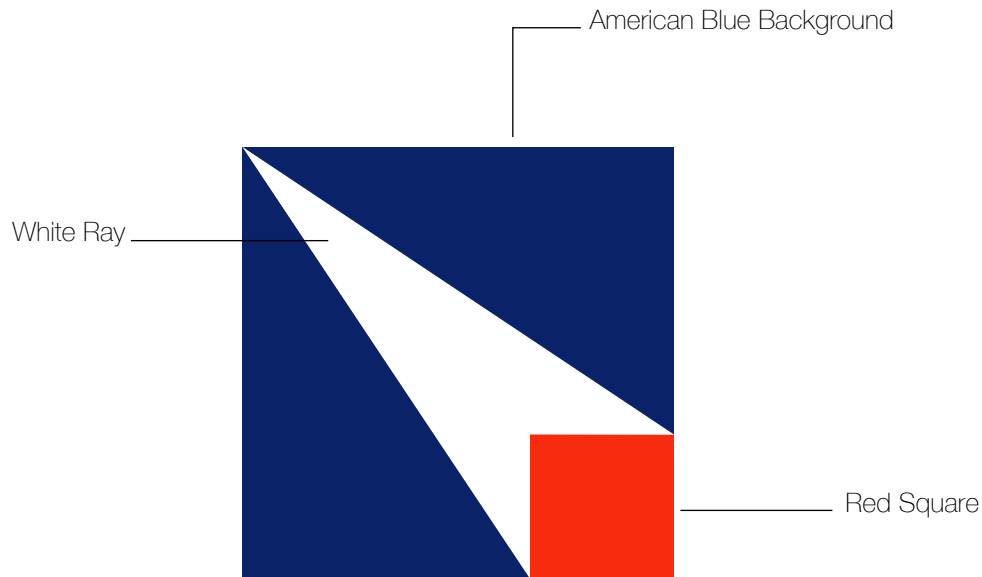
Corporate Office
Financial Technologies (India) Ltd.
Krishna Bhavan, 67 Nehru Road,
Vile Parle (East), Mumbai - 400 057,
India.

US
Financial Technologies (India) Ltd.
104 Carnegie Center, Suite 201,
Princeton, NJ 08540
USA.

Singapore
Financial Technologies (India) Ltd.
101, Cecil Street #20-01A,
Tong Eng Bldg., Singapore 069533



Financial Technologies
Powering e-Xchange Markets



Financial Technologies



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

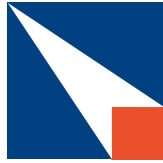
The insignia is a square with the "sharp, perpendicular corners" signifying equality (sides of equal size) and reflecting clarity and the Company's endeavor for perfection (90-degree corners).

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

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

Red Square: The niche that FTIL operates in (mission critical / STP technology 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 FTIL.



Financial Technologies
Powering e-Xchange Markets

ABOUT FINANCIAL TECHNOLOGIES (INDIA) LTD:

Financial Technologies (India) Ltd (FTIL), a company listed on the Bombay Stock Exchange, is India's **leading IPR enterprise**, delivering **Straight Through Processing (STP)** technologies comprising Products, Components and Productised Services for the global Financial Services Industry.

Headquartered in India, with operations in US, Singapore and Australia, FTIL has emerged as a Vertical Specialist and technology leader and has deployed cutting edge STP technologies for various markets;

- Equities
- Derivatives
- Forex
- Commodity
- Treasury

This covers all the stages of a **Trade Life Cycle**: - Pre-Trade, Trade and Post-Trade operations to deliver single point transaction fulfillment.

FTIL's technology excellence, combined with its deep domain expertise, has consistently delivered mission-critical technologies to market intermediaries across the Financial Services Industry. This addresses some of the most challenging demands of the financial services industry –

- End-to-end Straight Through Processing
- Exchange matching system
- Real-time transaction systems
- Dynamic risk management
- Trade processing and Settlement operations
- Instant Messaging platform
- Asset Management

FTIL's flagship product **ODIN™** is a new generation integrated securities trading platform and has been successfully deployed at over 50 cities in India representing close to 70% market share for customised front-office trading systems. FTIL's dynamic team of 200 people comprise the best of techno-domain specialists, operating from a state-of-art **Global Product Development Center** that uses world-class infrastructure facilities.

FTIL enables enterprises to offer exchange market based products and services to their clients, supporting high transaction density by delivering performance, scalability, open architecture and deployment flexibility.

MISSION STATEMENT

“To become a global leader in developing mission critical OLTP / electronic Straight Through Processing applications for the financial services sector. In the process, FTIL's applications would become ‘proxy’ to the Digital Exchange Economy, supporting transaction intensive marketplaces”

Organisation Overview

BOARD OF DIRECTORS

Executive

Jignesh P. Shah, *Chairman & Managing Director*
 Dewang S. Neralla
 Sajit Dayanandan
 Mahesh R. Joshi
 Ajay Narasimhan

Non-Executive

P. G. Kakodkar
 C. Subramaniam
 Ravi K. Sheth
 Ashish S. Dalal
 V. Venkateswara Rao

COMPANY SECRETARY

P. Venkitasubramani

ADVISORY BOARD

Nilesh Vira
 Kanu Doshi
 C. Kamdar

MANAGEMENT COMMITTEE

Jignesh P. Shah, *Chairman & Managing Director*
 Dewang S. Neralla, *Chief Technology Architect*
 Sajit Dayanandan, *Chief Information Officer*
 Mahesh R. Joshi, *Chief Financial Officer*
 Ajay Narasimhan, *Director-Corporate Strategy & Communication*
 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 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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Chairman's Statement



Chairman's Statement

“We are committed to pursue our growth and global expansion through sound measures based on our fundamental strengths”.

-Jignesh Shah

Dear Shareholder,

Preface

Financial year 2001-2002 was extremely challenging for industry as a whole across the world. There was a general, global economic slow down in the first two quarters, which was further aggravated by the unanticipated and tragic September 11 events. The financial services industry, to which your Company provides its solutions, was one of the worst affected. These unfortunate developments had a direct impact on the performance of your Company, Financial Technologies (India) Ltd. (FTIL) as well, and for the first time in its history, your Company recorded a financial loss.

Performance overview -

In the first three quarters, your Company recorded marginal sales, largely due to reduction in IT spending by the Indian financial services industry. This was partially overcome by a strong performance in the fourth quarter, signaling a slow but steady recovery. I am hopeful of this recovery getting stronger as we move into financial year 2002-03.

Despite difficult times, we remained focused on strengthening our long-term plans and successfully formulated a comprehensive business strategy to fulfill them. We also successfully added new products; expanded our customer base by signing-up prestigious clients; invested in our people who are our sacred knowledge managers as well as most valuable assets; and initiated implementation of plans to penetrate new geographic markets and business segments.

“Tough times never last, but tough people do”. Your Company has withstood and faced the challenges this year with grit and confidence. And this has been possible only with complete

cooperation and total commitment from each and every member of the FTIL team. On behalf of yourself and the Management, I wish to express my respect and appreciation to the entire Team for its extraordinary dedication and commitment during these demanding times.

Recognition of our work has also come from global institutions, demonstrating the depth of our business model. We continue to focus on building new technologies and solutions for existing markets and expanding our market base to cover wider geographies. Our association with ‘KEYSTONE’, a strategic alliance between Compaq, Intel and Microsoft delivers us a strong competitive edge in the A-PAC region. Moreover FTIL, in association with Intel, has prepared a solution blueprint for Straight Through Processing (STP) operations of the global securities market. With this, FTIL became one of the first two companies globally to have successfully developed this blueprint.

New markets and products –

We laid a lot of emphasis on ensuring that key accounts continue to be serviced with new and expanded offerings. This has resulted in building sustainable revenues through repeat business from existing customers. We successfully introduced our Derivatives trading platform ‘DerivativesConnect’, that has established its leadership position in a very short time.

We successfully added new clients to our already exhaustive list that now covers the entire customer spectrum – Exchanges, Intermediaries and End Users. With this we have now completed technology offering to the complete user community.

The other significant development is the impending launch of our Foreign Exchange Marketplace platform, which is all set to revolutionize the inter-bank trading market in the country. This is the only indigenously developed exchange-trading platform for the FX community in India. In line with our decision to expand the revenue model for FTIL, we would be introducing this service in a combination of subscription / transaction based revenue model. Along with our license-based revenues, this model would go a long way in further enhancing our revenue visibility in the coming years.

Towards a growth model –

At FTIL we are careful about the fact that we do not measure our performance in financial terms alone. From a revenue expansion perspective, we have put in place a model that would assist us in introducing our solutions to the global market. The global expansion of FTIL is built around the proven model of partnership and alliances that ensures quick penetration and revenue opportunities.

Towards this, we have initiated a series of steps for setting up alliances with leading business and technology giants. Following our successful positioning as a preferred partner and a member of KEYSTONE, in the A-PAC region, we seek to market our entire suite of IPRs through the channel support of these organizations.

You will be happy to know that the Management is constantly evaluating emerging models for maximizing revenue opportunities in the global securities market. These measures are being undertaken to create a higher-level of revenue visibility in our operations.

Universal technology

Technologies that have been developed at FTIL are built keeping in mind the global deployment opportunities that engineer growth and acceleration in our operations. Resource investment for technology development at FTIL continues to be in platforms that are based on industry accepted open standards, aimed towards protecting the technology investments made by our customers and at the same time offering them wider choices.

As part of this initiative, we are working closely with Microsoft for establishing a .NET Center of Excellence (COE) for developing securities industry technologies that would form part of our next generation offering. FTIL is also closely working with Intel to optimize its applications for the next generation Intel processors to deliver superior performance and most optimal cost of ownership.

We are confident that these measures would enable FTIL to successfully deploy its technologies in the global markets.

The Outlook -

FTIL is an industry leader and specialist in delivering mission-critical transaction technologies to the financial services industry and we have continued to maintain our market leadership.

The IPR model represents the next best exponential growth opportunities for Indian firms. I am happy to say that your Company has chartered a strong course for itself as producer of high-grade, mission-critical IPRs and is moving into the new-year with tremendous optimism and confidence. FTIL continues to invest resources prudently in development of new generation transaction technologies that have universal deployment opportunities.

For global organizations looking at sourcing high-performance but cost efficient technologies, FTIL offers the twin benefits of global performance standards and low development cost that India offers. We are committed to pursue our growth and global expansion through sound measures based on our fundamental strengths. In addition to US, we have recently commissioned our Singapore operations and are on the verge of establishing a presence in Australia too.

At FTIL, efforts are constantly on to establish strong business alliances to monetize our IPRs in all the markets that FTIL is operating in. With the implementation of its global strategy, your Company is well positioned to generate strong revenue flows from its multiple technology offerings from each territory, including overseas operations.

On behalf of the Management and staff, I would like to thank you all for your continuing support to which we all look forward to, as always, for all our future endeavors.



- Jignesh Shah

CMD, Financial Technologies (India) Ltd.

Significant Milestones



FTIL Goes Global

- Opening of US operations
- Opening of Singapore operations
- Formalised plans for Australia operations

Pioneering Initiatives

- DerivativesConnect - launch of India's first Derivatives Trading Platform
- .NET Center Of Excellence - for securities industry technologies
- Internet Trading on BSE - ICICI Web Trade Ltd.
- DerivativesConnect Roadshows - in association with Microsoft / Intel / Compaq
- CSA Partner for Securities Industry - Compaq Solutions Alliance

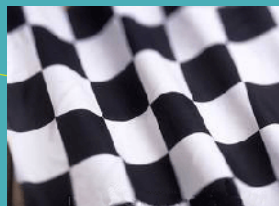


Global Recognition

- Member of KEYSTONE - Strategic alliance of Compaq/Intel/Microsoft
- STP Solution Blueprint - in association with Intel Corporation
- Strategic Architect Forum - organised by Microsoft
- CXO Roundtable - organised by Intel for Malaysian Securities Industry
- Corporate Presentation at NASDAQ Marketsite - NASDAQ Stock Market

FTIL— Indian Footprint

Global Design



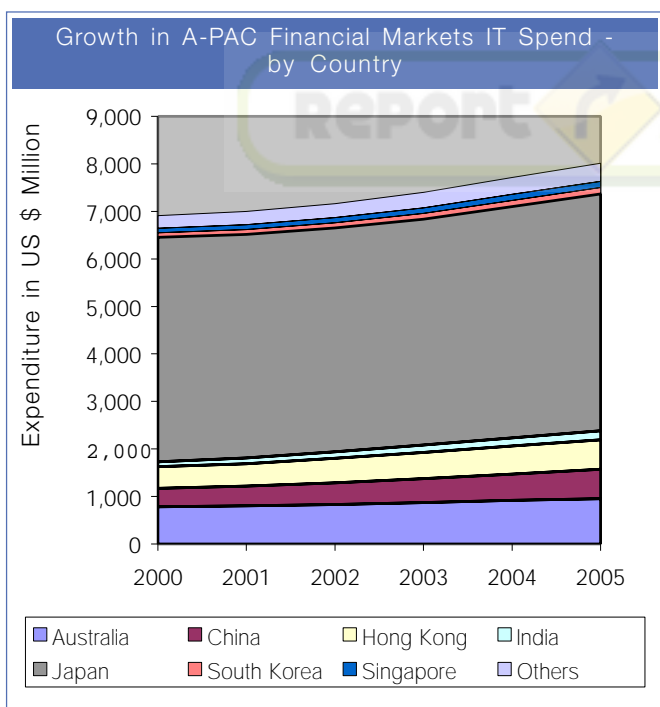
Expected Macro Growth in Industry

Straight Through Processing (STP), as a technology framework, is now fast getting accepted as an industry standard for getting operational efficiencies and also to expand business scope. We see this as a significant growth driver for FTIL for the next few years and are confident of deploying our multi-purpose IPRs for the same.

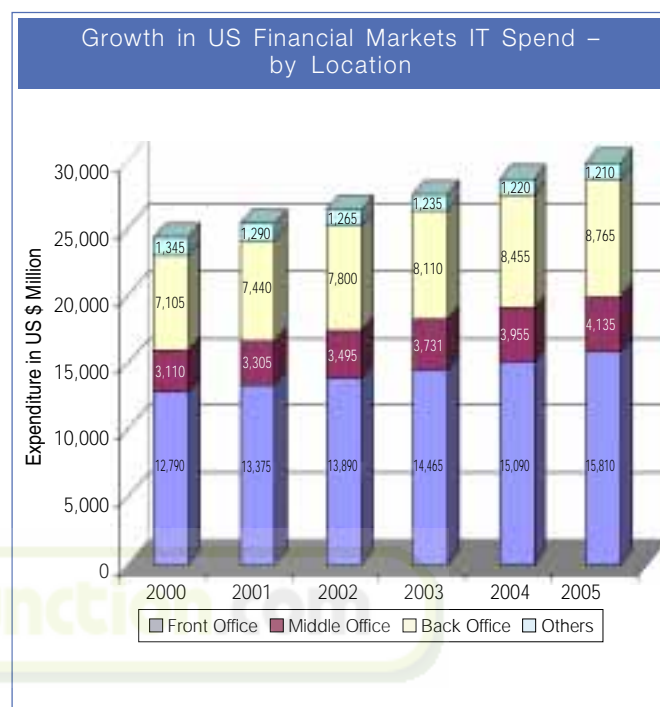
STP essentially treats the entire trade cycle as a single unit instead of a series of loosely related messages. There is seamless integration among the systems and processes involved with the complete lifecycle of a trade – from execution to settlement to transaction reporting. The benefits of STP solutions are shorter cycles, lower costs, lower risk and stronger business growth.

Any firm's ability to handle larger number of transactions would start with a robust and an efficient back-office solution, because of processing challenges. Further a strong back-office system ensures that the firm can automate its order routing capabilities in a manner to handle larger volumes, resulting in revenue expansion. Increase in transaction volumes also brings with it the additional component of 'risk' that needs to be monitored and managed on real-time basis.

also extrapolates that external IT spending will grow at 6.6% CAGR driven by strong growth in licensed applications and outsourcing. Developed markets like Hong Kong will spearhead the Financial Market IT spending along with Singapore, followed by Australia and South Korea.



A study on the growth in the A-PAC Financial Markets IT spend reveals that the overall Financial Services Technology Market will be worth \$35.5 billion by 2005, growing at a CAGR of 3.3% from 2000-2005. It is estimated that countries like India and China with CAGR of 9.8% and 7.4% respectively will grow fastest and Japan, the largest market, will grow very slowly at 0.7% CAGR. The study



IT spending in the US Financial Services Sector is expected to record 4.2% CAGR for the next five years with an increasing trend in favor of sourcing this spend to external suppliers. Financial market firms across all sectors will continue to undertake projects involving STP, CRM, Internet delivery and Legacy system upgrades. Middle office is expected to experience the highest growth rate due to expenditure in risk management and CRM. And finally, the study predicts that the Front office will grow at the same pace as the Back office due to an increase in distribution channels like the Internet and increase in spend towards portfolio analysis.