

PART I

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013

(₹ in lacs except 'per share' data)

PARTICULARS	Quarter ended			Nine Months ended		Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 (a) Net Sales/Income from Operations	7,996.75	8,982.91	10,763.71	27,146.89	29,831.92	43,943.19
(b) Other Operating Income	182.83	278.87	259.64	704.90	763.24	1,146.91
Total Income from Operations (Net)	8,179.58	9,261.78	11,023.35	27,851.79	30,595.16	45,090.10
2 Expenses						
a) Purchases of stock-in-trade	3.38	1.38	12.63	5.06	30.45	31.83
b) Employee benefits expense	2,762.82	2,868.55	2,964.39	8,639.89	9,285.54	12,410.70
c) Legal and professional charges	1,151.97	717.03	239.55	2,322.96	567.87	880.45
d) Provision of doubtful trade receivables/advances	26.46	1,599.89	-	1,626.35	39.00	134.90
e) Depreciation and amortisation expense	617.12	609.02	576.02	1,826.41	1,614.44	2,253.99
f) Other expenses	1,174.51	1,020.22	1,483.67	3,632.88	4,205.67	5,499.20
Total expenses	5,736.26	6,816.09	5,276.26	18,053.55	15,742.97	21,211.07
3 Profit from Operations before Other Income and Finance costs (1-2)	2,443.32	2,445.69	5,747.09	9,798.24	14,852.19	23,879.03
4 Other Income (net)						
(a) Diminution in value of long term Investments (Refer Note 5)	-	(4,499.99)	-	(4,499.99)	-	-
(b) Others (Refer Note 6)	2,264.52	8,131.16	6,429.82	16,939.82	16,336.36	20,651.99
Total Other Income (net)	2,264.52	3,631.17	6,429.82	12,439.83	16,336.36	20,651.99
5 Profit before Finance costs (3+4)	4,707.84	6,076.86	12,176.91	22,238.07	31,188.55	44,531.02
6 Finance costs	534.88	1,567.23	841.46	2,552.64	3,511.45	4,283.74
7 Profit before tax (5-6)	4,172.96	4,509.63	11,335.45	19,685.43	27,677.10	40,247.28
8 Tax expense	725.00	1,808.00	2,390.00	5,415.00	4,170.43	7,959.22
9 Net Profit for the period (7-8)	3,447.96	2,701.63	8,945.45	14,270.43	23,506.67	32,288.06
10 Paid-up Equity Share Capital (Face Value ₹ 2/- per share)	921.57	921.57	921.57	921.57	921.57	921.57
11 Reserves excluding Revaluation Reserves						266,761.81
12 Earnings per share (Face Value ₹ 2/- per share) (not annualised) (₹)						
(a) Basic	7.48	5.87	19.41	30.97	51.01	70.07
(b) Diluted	7.48	5.87	19.27	30.97	50.65	69.48

PART II

SELECT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013

A Particulars of Shareholding						
1 Public shareholding						
a) Number of shares	25,052,659	25,050,955	25,035,955	25,052,659	25,035,955	25,050,955
b) Percentage of shareholding	54.37	54.37	54.33	54.37	54.33	54.37
2 Promoters and promoter group shareholding						
a) Pledged/ Encumbered						
- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
b) Non-encumbered						
- Number of shares	21,025,878	21,027,582	21,042,582	21,025,878	21,042,582	21,027,582
- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	100.00	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	45.67	45.63	45.67	45.63
B INVESTOR COMPLAINTS	Quarter Ended 31.12.2013					
Pending at the beginning of the quarter	NIL					
Received during the quarter	12					
Disposed of during the quarter	12					
Remaining unresolved at the end of the quarter	NIL					



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Notes:

1. These unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on February 14, 2014 and have been subjected to a limited review by the Statutory Auditors of the Company.
2. The Board of Directors in their meeting held on February 14, 2014 have declared third interim dividend of ₹ 2 /- per equity share of face value ₹ 2/- each (i.e. @100 %) on equity share capital of the Company.
3. The Company, as a part of its core business strategy, promotes and invests in new ventures that utilize its technological capabilities and domain expertise towards creating world class enterprises. The investment in each such venture is assessed for its risks and is limited to a pre-determined level and will generate returns after the ventures start ramping up operations in varied time frame depending upon the line of business. The Company, as part of its non-linear business model, will endeavor to unlock value by broadening the investor base of its ventures.
4. (a) As at December 31, 2013, the Company had an investment of ₹ 36,874.36 lacs in and loans and advances to / receivables aggregating ₹ 21,964.71 lacs from Financial Technologies Singapore Pte. Ltd (FTSPL), a wholly-owned subsidiary of the Company, which has accumulated losses. On November 18, 2013, FTSPL and the Company entered into a share purchase agreement for sale of 100% of FTSPL's equity ownership in its wholly owned subsidiaries, Singapore Mercantile Exchange Pte. Ltd. (SMX) and Singapore Mercantile Exchange Clearing Corporation Pte. Ltd. (SMXCC) to ICE Singapore Holdings Pte. Ltd, an entity owned by Intercontinental Exchange Group, Inc. (ICE) for an amount of USD 150 million. The transaction was completed on February 03, 2014.
- (b) Further, an overseas exchange based out of Dubai, wherein the Company holds minority shareholding came out with rights issue during the period which was priced more than the book value of that overseas exchange.
- (c) As at December 31, 2013, the Company has investments aggregating ₹ 12,590.95 lacs in and loans and advances to / receivables aggregating ₹ 93,386.29 lacs from certain subsidiaries (excluding National Spot Exchange Ltd. and its subsidiaries, and FTSPL and its subsidiaries) and a joint venture company, which have accumulated losses; these entities are expected to have their values unlocked in the near future.

Considering the past profitable divestment from various exchanges by the Company and the recent two overseas exchanges valuation exceeding its book value in spite of losses, a provision, made in prior periods, for diminution in the value of investments, other than temporary, amounting to ₹ 1,737.26 lacs as at December 31, 2013 is considered to be adequate.

5. In view of the developments in respect of its subsidiary National Spot Exchange Ltd (NSEL), during the previous quarter ended September 30, 2013, on conservative basis, the Company had made a provision towards diminution other than temporary in value of long term investments of ₹ 4,499.99 lacs for its investment in NSEL.
6. Other Income consists of:

(₹ in lacs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
(a) Foreign Exchange (loss) / gain (net)	(2,045.55)	165.79	804.38	467.09	698.94	85.50
(b) Profit on sale / disposal of Investments (net)	166.28	3,381.67	793.40	5,893.94	2,016.43	4,697.86
(c) Dividend income	983.16	1,897.36	2,014.03	3,071.08	8,021.98	8,300.29
(d) Interest Income	2,642.80	2,155.59	934.96	5,893.42	3,066.17	4,193.16
(e) Others (net)	517.83	530.75	1,883.05	1,614.29	2,532.84	3,375.18
	2,264.52	8,131.16	6,429.82	16,939.82	16,336.36	20,651.99



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7. Segment wise Revenues and Results as per clause 41 of Listing Agreement:

(₹ in lacs)

Particulars	Quarter ended			Nine Months ended		Year ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
Segment Revenue						
STP Technologies / Solutions	7,210.47	8,135.66	10,196.92	24,676.46	28,536.86	41,794.09
Others	969.11	1,126.12	826.43	3,175.33	2,058.30	3,296.01
Total Income from Operations	8,179.58	9,261.78	11,023.35	27,851.79	30,595.16	45,090.10
Segment Results						
STP Technologies / Solutions	4,967.65	4,803.82	7,804.76	16,525.82	20,991.03	32,186.23
Others	423.56	403.88	490.24	1,362.97	1,124.72	1,930.50
Total	5,391.21	5,207.70	8,295.00	17,888.79	22,115.75	34,116.73
Less : Finance costs	534.88	1,567.23	841.46	2,552.64	3,511.45	4,283.74
Add : Unallocable income [other income (net)]	2,264.52	3,631.17	6,429.82	12,439.83	16,336.36	20,651.99
Less : Unallocable expenses	2,947.89	2,762.01	2,547.91	8,090.55	7,263.56	10,237.70
Profit before tax	4,172.96	4,509.63	11,335.45	19,685.43	27,677.10	40,247.28

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.
8. During the nine months ended December 31, 2013, the Company has accounted income (excluding interest income) aggregating ₹ 1,515.98 lacs for various services including software maintenance and support services for the Company's flagship products, DOME, CnS, ODIN charges ("Services"), business support services and rent income, out of which ₹ 1,179.76 lacs is the variable fees derived from certain components (transaction fees, delivery charges, warehouse receipt transfer charges for trading, settlement & delivery activities) of revenue / gross profits of NSEL.

The amount receivable from NSEL for the above said services and reimbursement of expenses as on December 31, 2013 aggregates ₹ 1,586.81 lacs for which, on conservative basis, the Company has made a provision of ₹1,564.32 lacs and ₹ 22.49 lacs during the quarters ended September 30, 2013 and December 31, 2013, respectively.

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

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



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Recovery of the total outstanding Loan of ₹ 21,083.06 lacs and interest thereon of ₹ 585.26 lacs (net of tax deducted at source), aggregating ₹ 21,668.32 lacs as on December 31, 2013, are dependent on the recovery by NSEL from defaulting members and NAFED and the recovery of the amount from NSEL will be reviewed periodically.

10. a) During the period, Writ Petitions (WP), Public Interest Litigation (PIL), Civil Suits have been filed against the Company in relation to the 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 adjudications before the Hon'ble Bombay High Court. The Company has, inter alia, denied all the claims and contentions in its reply. Based on legal advice, the management does not foresee that the parties who have filed the WP, PIL and Civil Suits would be able to sustain any claim against the Company.
- b) First Information Report (FIR) has been registered against various parties, including the Company, with the Economic Offences Wing of the Mumbai Police (EOW) in connection with the NSEL event.
11. During the quarter, the Company has received an order dated December 17, 2013 passed by the Forward Markets Commission ("FMC Order") holding the Company not a fit and proper person to continue to be a shareholder of 2% or more paid up equity capital of a commodity exchange. The Company holds 26% in the Multi-Commodity Exchange of India Ltd. ("MCX"). The FMC Order has been challenged by way of a writ petition before the Hon'ble Bombay High Court. The proceedings are pending hearing before the Hon'ble Bombay High Court.
12. During the quarter, the Company has received a Show Cause Notice dated December 20, 2013 ("SCN") from the Securities and Exchange Board of India ("SEBI") seeking to know why, in view of the aforesaid FMC Order, the same treatment should not be given to the Company's holding in MCX Stock Exchange Limited ("MCX-SX"); MCX Stock Exchange Clearing Corporation Limited ("MCX-SX CCL"); Delhi Stock Exchange Ltd. ("DSE") and the Vadodara Sock Exchange Limited ("VSE") under the relevant securities regulations. These proceedings are pending before SEBI.
13. The qualifications made by the Statutory Auditors in their Independent Auditors' Report dated November 29, 2013 on the Financial Statements (as amended) for the year ended March 31, 2013 and in their limited review report dated November 29, 2013 on the unaudited financial results for the quarter and six months ended September 30, 2013, continue to be subject matter of qualification for the purpose of the limited review report dated February 14, 2014 on these unaudited financial results for the quarter and nine months ended December 31, 2013 and the Management responses thereto are as under:-
- A) Pursuant to the developments relating to NSEL, the management of NSEL, by their letter dated September 20, 2013, had communicated to its auditors and the Company that it was not possible for NSEL to immediately ascertain the financial implications (with respect to, inter alia, the various irregularities in the operations of NSEL coming to light, agencies looking at the legality of contracts and warehouse receipts and income booked by NSEL therefrom, ongoing investigations and forensic audit) and whether its books and records presented as of March 31, 2013 are true and fair and what adjustments were needed to be carried out with a view to present a correct financial position. Consequently, the auditors of NSEL and its subsidiary, Indian Bullion Market Association Limited (IBMA), in which NSEL has 60.88% equity ownership, citing various developments, investigations and audits relating to NSEL, had communicated to NSEL and IBMA, by their letters dated September 21, 2013, that the standalone and consolidated financial statements of NSEL and the standalone financial statements of IBMA for the year ended March 31, 2013 and their audit reports dated May 17, 2013 and May 16, 2013 on the said financial statements of NSEL and IBMA, respectively, are no longer to be relied upon.
- B) Basis for Qualified Opinion and Management Response:
- i. The Company had recognised income of ₹ 3,452.00 lacs from NSEL during the year ended March 31, 2013 from rendering of various services to NSEL, which included a variable component of ₹ 2,927.60 lacs. As on March 31, 2013, the total amount receivable from NSEL on this account was ₹ 2,489.27 lacs, which has been realized subsequently during the current financial year.

The above variable component comprised:



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

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

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

Management Response:

During the year ended March 31, 2013, the Company had earned Income of ₹ 3,452.00 lacs from NSEL, which constituted 5.25% of the standalone total income of the Company. This included aggregate amount of ₹ 2,927.60 lacs being variable fees derived from certain component as mentioned in sub paragraph 'I' above. The Company had paid the applicable taxes on the amount (including service tax, etc.) based on invoices towards services raised to NSEL.

As on March 31, 2013, total amount receivable from NSEL was ₹ 2,489.27 lacs, which has been realized subsequently in the financial year 2013-14 and as on date, there is no amount outstanding against the same.

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

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

- II. As stated by the Management of the Company in Note 10 above, Writ Petitions, Public Interest Litigations, Civil Suits have been filed against the Company in relation to the NSEL event, wherein the Company has been made a party in the Writ Petitions and Civil Suits, and these matters are pending adjudication. In addition, there is a First Information Report registered, inter alia, against the Company with the Economic Offences Wing. Further, as stated in the said Note 10 above, based on legal advice, the Management of the Company does not foresee that the parties who have filed the



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Writ Petitions, Public Interest Litigations, Civil Suits would be able to sustain any claim against the Company. In this regard, the Management and those charged with Governance have represented to us that other than as stated in the said Note 10 above, 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 Nine Months ended December 31, 2013.

Management Response:

Please refer Note 10 above.

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

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

However, as stated in Note 5 to the Statement, during the Nine Months ended December 31, 2013, on a conservative basis, the Company has made a provision, towards diminution, other than temporary, in the value of the entire amount of its long term investment of Rs. 4,499.99 lacs in NSEL and has charged the same to the results for the Quarter ended September 30, 2013.

Management Response:

Please refer Note 5 above.

14. The additional qualifications made by the Statutory Auditors in their limited review report dated November 29, 2013 on the unaudited financial results for the quarter and six months ended September 30, 2013 and continue to be subject matter of qualification for the purpose of their limited review report dated February 14, 2014 on the unaudited financial results for the quarter and Nine months ended December 31, 2013 and the Management responses are as under:-
- I. As stated in Note 8 above, during the Nine Months ended December 31, 2013, the Company has recognised income aggregating ₹ 1,515.98 lacs, including variable component revenues of ₹ 1,179.76 lacs (comprising ₹ 1,179.76 lacs for the quarter ended June 30, 2013 and ₹ Nil for the quarters ended September 30, 2013 and December 31, 2013). For the reasons stated in 13 B (I) above, we are unable to determine the extent to which such variable component of revenue should be de-recognised in the results for the Nine Months ended December 31, 2013 and postponed by the Company, in compliance with the recognition and measurement principles stated in Accounting Standard (AS) 9, 'Revenue Recognition'.

However, as stated in the said Note, the Company has made a provision of ₹ 1,586.81 lacs during the nine months ended December 31, 2013 (comprising ₹ 1,564.32 lacs and ₹ 22.49 lacs during the quarters ended September 30, 2013 and December 31, 2013, respectively), on a conservative basis, towards the amount receivable for the above said services and the amount due towards reimbursement of expenses from NSEL.

Management Response:



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Please refer Note 8 above.

- II. As stated in Note 9 above, the Company has outstanding loans and interest thereon aggregating ₹ 21,668.32 lacs as at December 31, 2013 receivable from NSEL, comprising ₹ 3,143.25 lacs on account of invocation by a Bank of additional corporate guarantee given on behalf of NSEL, ₹ 17,939.81 lacs on account of bridge loan given to NSEL and ₹ 585.26 lacs on account of interest accrued on the aforesaid loans. Further, as stated in the said Note, no provision has been made by the Management of the Company for the aforesaid outstanding amounts aggregating ₹ 21,668.32 lacs, the realisability of which is dependent significantly on the recovery by NSEL of its dues from its defaulting members.

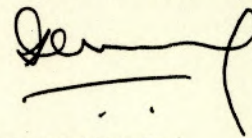
In view of the developments relating to NSEL and the allegations made/being made and the ongoing investigations by various authorities in this regard, and the matters described in paragraph 13A above, we are unable to determine the provision that may be required to be made in respect of the aforesaid outstanding amount of ₹ 21,668.32 lacs recoverable from NSEL.

Management Response:

Please refer Note 9 above.

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

For Financial Technologies (India) Limited



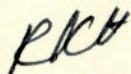
Dewang Neralla

Whole-time Director

Place : Mumbai

Date : February 14, 2014

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



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