Financial Technologies
Creating Markets. Unlocking Value.

August 01, 2013

BSE Ltd., P. J. Towers, Dalal Street, Mumbai – 400 001 Kind Attn: Corporate Relation Dept.	**National Stock Exchange of India Limited** Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051. Kind Attn: Listing Dept.

Dear Sir,

Sub: Press note issued by National Spot Exchange Ltd. (NSEL)

Pursuant to the applicable Clauses of the Listing Agreement, please be informed that National Spot Exchange Limited ("NSEL") received a letter from Department of Consumer Affairs, for which NSEL has issued the press note and the contents of the same are self-explanatory. A copy of the same is enclosed herewith for your ready reference.

You are requested to kindly take a note of the above and acknowledge receipt for the same.

Thanking you,

Yours faithfully,
For Financial Technologies (India) Limited

Hariraj Chouhan
Vice-President & Company Secretary

cc
- Madras Stock Exchange Limited.
- Ahmedabad Stock Exchange Ltd.

National Spot Exchange
Electronic Spot Market

Press Note

Suspension of Trading and merging of settlement cycles of all one day forward contracts other than e-series contracts

- Trading, Settlement and Physical delivery of e-Series contracts like e-Gold, e-Silver, etc. will continue as usual. Trading in other contracts would be suspended till further notice.
- Exchange would merge the delivery and settlement of all pending contracts, other than e-Series contracts. Settlement would be deferred for a period of 15 days.
- Above modifications are undertaken due to certain abrupt structural changes in the marketplace leading to disruption. This coupled with loss of trading interest due to underlying uncertainties disrupting market equilibrium.
- e-Series contracts and other initiatives of the Exchange such as e-Auction, e-Procurement, MSP operations on behalf of the government agencies (NAFED and SFAC), etc. will continue uninterrupted.

Mumbai, 31st July, 2013: National Spot Exchange Limited (NSEL) has suspended trading of contracts, other than e-Series contracts till further notice. It has also decided to merge the delivery and settlement of all pending contracts and deferred the same for a period of 15 days. Consequently, the positions outstanding in the contracts will be settled by way of delivery and payment after expiry of 15 days. Exchange shall announce a revised settlement calendar and contracts due for settlement after this 15 days period.

Pursuant to the directions issued by the Department of Consumer Affairs, Government of India vide letter dated July 12, 2013, the Exchange had given an undertaking to the Government and simultaneously introduced T+10 with Trade to Trade settlement. This was done with a view to ensure orderly participation without creating any negative sentiments in the market.

Such structural change has disrupted the market equilibrium as volumes on the Exchange have gone down significantly. It created conflicting views in the minds of large number of members that there are certain regulatory issues pertaining to the contracts running on the Exchange in view of direction dated July 12, 2013, which has been widely reported in media. This abrupt action has created uncertainty and doubt about continuity of trading on the Exchange and hence most of the participants started withdrawing from the market. While the Exchange has run successfully without any disruption since last five years, such structural change has created market dis-equilibrium, leading to this scenario.

The exchange will ensure that the process of settlement takes place in orderly manner and all participants get their rightful dues in accordance with Rules and Bylaws of the Exchange keeping in view the interest of the participants.

-Ends.