

Press release

MSE raises over Rs.200 crore; ties up further funding of Rs. 95 crore

Business revival plan reaches inflection point

Mumbai, October 31, 2017: MSE (Metropolitan Stock Exchange of India), today announced that it has raised Rs. 209 crore in just over a year and has tied up further fund raising of Rs.95crore. With this, the liquid net worth of its clearing corporation subsidiary MCCIL (Metropolitan Clearing Corporation of India Limited) will be Rs. 300 crore, meeting SECC requirements. Excess funds will further strengthen MSE’s own net-worth. This is a true inflection point in the turnaround strategy put in place by the current management. Last July onwards it raised Rs. 97 crore from existing investors (**IL&FS, Trust Capital, Rosy Blue Securities, Radhakrishan Damani and Rakesh Jhunjunwala**) and in the recent rights issue opened in September 2017, Rs. 112 crore of the Rs. 207 crore was subscribed by September end and the balance amount is being picked up a few large investors and merchant bankers. Also, **Siddhartha Balachandran, an NRI investor having a significant holding in BSE has also picked up 5% stake in MSE recently.** The funds shall be used for increasing the liquid net worth of MCCIL to Rs.300 crore. Post reaching this milestone, the exchange is expecting regulatory approvals for launching new products.

According to **Udai Kumar, Managing Director & CEO, MSE,**“ New product approvals were not forthcoming from the regulator due to the net-worth challenge, thus hurting the business revival plan of the exchange. The exchange also needed to raise sufficient capital to invest in its business for revival, which is addressed with this raise.”

Added **Abhijit Chakraborty, Chief Operating Officer, MSE,**“ We have been aggressive in putting together a business revival plan and in reaching out to existing and potential investors, results of which are now evident. Multiple elements of the turnaround strategy are now in place for us to accelerate.”

MSE, the youngest and the third national level stock exchange, is focused on enhancing fixed income and currency segments as part of its turnaround strategy. It recently launched a Member Activation Drive that will provide all infrastructural support to its members, various incentive schemes as well as lowest transaction charges on almost all product contracts. The exchange has also introduced a Business Loyalty Program, called MY MSE, under which the members need to comply with several businesses and risk

mitigating parameters to be eligible for the incentive. Among the incentives, it's reimbursing Clearing Fee paid by its trading members to their Clearing Members, reducing the transactional cost of brokers.

The exchange is also showcasing the usefulness of executing large equity trades on its platform. Its clearing arm **MCCIL got recently certified by European Securities & Markets Authority (ESMA) as third country central counterparty (CCP).**

About MSE: Metropolitan Stock Exchange of India Limited (MSE) is a SEBI-recognized stock exchange with licences to operate in currency, interest rate & equity derivatives, equity cash, ETFs and debt. Its shareholders include India's top public and private sector banks and domestic financial institutions who together hold over 34%, besides eminent shareholders like **Rakesh Jhunjhunwala, Radhakishan Damani and Nemish S. Shah**. MSE boasts of a Board of Directors with eminent personalities and a professional management to steering the company to its growth potential. In line with global best practices and regulatory requirements, clearing & settlement of trade on the exchange are through its subsidiary Metropolitan Clearing Corporation of India Ltd. (MCCIL), an accredited Qualified Central Counterparty.

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