ANNUAL REPORT 2014-15



Metropolitan Stock Exchange of India Ltd.

(Formerly known as MCX Stock Exchange Limited)

www.msei.in

CONTENTS

Particulars	Pages
Corporate Information	2
Directors' Report	3-18
Annexures to Directors' Report	19-44
Management Discussion and Analysis Report	45-48
Corporate Governance Report	49-68
Standalone	
Independent Auditors' Report	69-74
Financial Statements	75-100
Financial information of Subsidiaries	101
Consolidated	
Independent Auditors' Report	102-104
Financial Statements	105-135

CORPORATE INFORMATION

BOARD OF DIRECTORS

- Mr. Thomas Mathew T. Chairman & Public Interest Director
- Prof. (Mrs.) Ashima Goyal Vice Chairperson & Public Interest Director
- Mr. D R Dogra Public Interest Director
- Mr. Anand Sinha Public Interest Director
- Mr. Saurabh Sarkar Managing Director & CEO

COMPANY SECRETARY

Ms. Divya Damania

STATUTORY AUDITORS

M/s. T R Chadha & Co., Chartered Accountants*

INTERNAL AUDITORS

M/s. M. M. Nissim & Co., Chartered Accountants (FY 2014-15)

REGISTERED OFFICE

4th floor, Vibgyor Towers, Plot No C 62, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400098

Tel:- 022 6112 9000 Fax: - 022 2652 5419

CIN No:- U65999MH2008PLC185856

REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Computershare Private Limited

Plot No.17-24, Vittalrao Nagar

Madhapur, Hyderabad 500 081, India

Tel: 040 44655201

^{*}Appointed by the Office of Comptroller and Auditor General of India for FY 2014-15

DIRECTORS REPORT

TO THE MEMBERS OF
METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED
(FORMERLY KNOWN AS MCX STOCK EXCHANGE LIMITED)

Your Directors have pleasure in presenting their Seventh Annual Report and the Audited Statement of Accounts and Auditors' Report for the period commencing from April 1, 2014 to March 31, 2015.

1. Financial Results

(Rs. In Crore)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Revenue from operations (Net after Service tax)	34.34	91.83
Other Income	10.87	19.73
Operating expenditure	49.45	113.92
Other expenditure	41.64	127.15
Depreciation and amortization	14.24	22.17
Profit/(Loss) before exceptional item and tax	(60.12)	(151.68)
Exceptional items	-	2.85
Profit/(Loss) before tax	(60.12)	(154.53)
Provision for tax	-	-
Profit/(Loss) for the year	(60.12)	(154.53)
Balance brought forward from previous year	(279.91)	(125.38)
Depreciation on Assets whose useful life is expired	(0.21)	-
Amount available for appropriation	(340.24)	(279.91)
Appropriations	-	-
General reserve	351.57	346.09
Balance carried to balance sheet	11.32	66.17

During the year under review, the Company has incurred a loss of Rs.60.12 crore as against loss of Rs.154.53 crore incurred in the previous year. The Company took great efforts in controlling cost and has managed to reduce the loss substantially. The drop in revenue due to fall in volumes in the Currency Derivatives Segment (CD Segment) had impact on the bottom line. The business was primarily impacted because of the sentimental fallout of the defaults in another Exchange floated by the erstwhile promoter, introduction of zero pricing by competitor and extremely low volatility in the currency market. Your Directors feel that the Company would be able to see better volumes in the CD Segment and consequently improve its financial performance in the coming years. The Exchange is seeing an increase in participation from Banks and Clients. Fourteen Foreign Portfolio Investors (FPIs) have recently registered with the Exchange and several others are in pipeline. This is the first year since we began operations that FPI's registered on the Exchange. The Exchange has successfully listed around 100 companies which have significantly contributed to the Exchange revenue. The Exchange has Net-worth much above the Regulatory requirement.

2. Corporate and Business Background

A. Regulatory Updates

Regulatory changes in the CD Segment

In the last one year, regulators have provided for higher position limits for hedgers on the exchanges (from USD 10 mln to USD 15 mln per exchange without underlying documentation as well as a consolidation of the other currency limits).

Interest Rate Futures (IRF)

RBI, in its monetary policy of February 03, 2015 (and notified by them on June 12, 2015) has permitted the introduction of additional maturity points on the IRF curve. With this relaxation SEBI has given the go-ahead for the exchanges to introduce futures contracts that have 5 and 15 year maturity G-Sec underlyings. We are in the process of launching this as soon as SEBI gives us the final go-ahead to do so.

B. Name change

The Exchange has received an approval from the Registrar of Companies (ROC) for its new name Metropolitan Stock Exchange of India Ltd. The aforesaid name was approved by the shareholders at the Extra Ordinary General Meeting held on February 09, 2015. The new name for the Exchange is a crucial development in its turnaround strategy to dissociate completely from its old identity and pave its way for further business development.

C. Business Updates

Your Company, besides providing trading systems for Currency Derivatives Segment (USDINR, EURINR, GBPINR and JPYINR and Currency Options contracts on USD-INR spot rate) also provides trading in Capital Market and Futures & Options Segments including Futures & Options on flagship index of the Exchange SX40, Debt Segment and Interest Rate Futures. It has got the approval from SEBI for launching SME platform. There is no change in the nature of business of your Company during the financial year ended March 31, 2015.

The Exchange has recently closed its rights issue and has garnered Rs. 60.75 crore. With this fresh capital infusion the Exchange can now focus on business development and in increasing its market presence in the CD segment. The Company would also focus on improving business in the other segments by taking appropriate measures.

i. Turnover and Membership – Operations & Membership department

Turnover

The Average Daily Turnover in the Currency Derivatives Segment has shown a decrease from Rs. 9,928 crore in FY 2013 -2014 to Rs. 2731 crore in FY 2014 -2015. During the year, the market share of the Exchange in Currency Derivatives Segment stood at 11.53% in FY 2014 -2015 as against 34.53% in the previous FY 2013-14. The fall is attributable to several reasons indicated above.

Membership

The details of Segment wise members count registered with SEBI as on March 31, 2015:

Currency Derivatives	Capital Markets	Futures & Options	Debt
793	535	535	16

ii. Market Statistics of MSEI in Currency Derivatives

Particulars	FY 2014 -2015	FY 2013 -2014
Approved no. of members (Registered with SEBI)**	929	834
Centers participating across India**	885*	880*
Average daily turnover (Rs. in crore)	2,731	9,928
Highest turnover (Rs. in crore)	7,284	38,494
Average daily volume (no. of contracts)	433,060	1,633,544
Highest no of contracts (no. of contracts)	1,188,658	6,360,470

^{*} Data includes cities of active and inactive users / dealers.

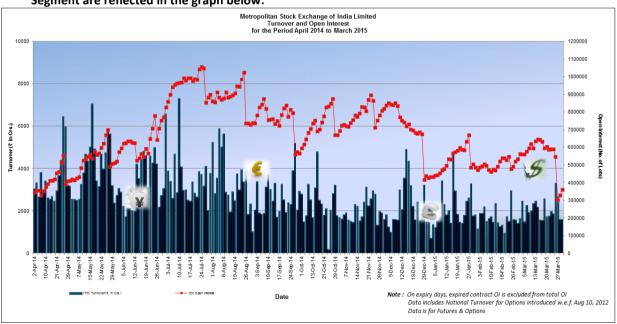
iii. Market Statistics of MSEI in Interest Rate Futures

Particulars	FY 2014 -2015
Average daily turnover (Rs. in crore)	52
Highest turnover (Rs. in crore)	1,112
Average daily volume (no. of contracts)	2,517
Highest no of contracts (no. of contracts)	53,094

Note: Trading in IRF on MSEI started from January 20, 2014.

IRF contracts were unavailable at MSEI during the period November 28, 2014 to January 27, 2015 hence excluded from average calculation.

The turnover and open interest for the period April 01, 2014 to March 31, 2015 in Currency Derivatives Segment are reflected in the graph below:



Note:On expiry days, expired contract OI is excluded from total OI

Data includes Notional Turnover for Options introduced w.e.f. August 10, 2012

Data is for Futures & Options

^{**}As on March 31, 2015 and March 31, 2014

iv.	Period-wise	breakup	of	Number	of	Contracts	Traded	and	Trading	Value	in	Currency	Derivative
	Segment.												

Period	No. of Contracts Traded	Trading Value ((Rs. in crore)
2008-09 (Oct-Mar)	29,847,569	148,826
2009-10 (Apr-Mar)	408,166,278	1,944,654
2010-11 (Apr-Mar)	903,185,639	4,194,017
2011-12 (Apr-Mar)	770,325,229	3,732,446
2012-13 (Apr-Mar)	597,310,766	3,303,179
2013-14 (Apr-Mar)	398,584,890	2,422,410
2014-15 (Apr-Mar)	103,068,343	649,925

v. Period-wise breakup of Number of Contracts Traded and Trading Value in Interest Rate Derivatives Segment.

Period	No. of Contracts Traded	Trading Value ((Rs. in crore)
2014-15 (Apr-Mar)	495,869	10,312

Note: Trading in IRF on MSEI started from January 20, 2014
IRF contracts were unavailable at MSEI during the period November 28, 2014 to January 27, 2015 hence excluded from average calculation.

vi. Technology – Technology department

The IT infrastructure at the Exchange has been designed with performance, reliability, redundancy and security as the key parameters.

The technology deployed includes the latest fault tolerant servers, firewall with IPS and a hybrid network (nationwide satellite network, point of presence (POP), nationwide MPLS network and Internet links) which enables members to connect to the Exchange from any location across the length and breadth of the country. The IT components are hosted in a state-of-art data center that is designed to support mission critical operations. The data center and all its components are monitored $24 \times 7 \times 365$.

MSEI maintains a Disaster Recovery Site (DRS) at a different seismic zone and a Near Site near its Primary Site. SAN base database replication is done on a real-time basis from Primary Site in Mumbai to the Near Site as well as DR Site. Data synchronization between Primary Site, Near Site and DR Site is done as a part of daily routine operations. Data synchronization between Primary Site and Near Site is synchronous & between Primary Site to DR site is asynchronous. Periodic mock tests are done to ensure proper functioning of DR systems.

Along with the shifting of its corporate office and business operations to its new premises located at the premier Business District – Bandra Kurla Complex (BKC) in Mumbai, the Exchange has shifted its Primary Site, Near Site and co-location from Andheri to Bandra Kurla Complex. Live trading from new datacenter was successfully commenced from September 01, 2014.

The robust technology infrastructure enables the Exchange to operate efficiently, and also facilitates fast order routing, immediate trade execution, trade reporting, market data dissemination, risk management and market surveillance. The systems and processes of the Exchange are designed to safeguard market integrity and to enhance transparency in operations. The technology platform enables our members to undertake uninterrupted dealing even during sun outage time.

The Exchange has conducted live trading in all the segments viz. Currency Derivatives, Capital Market, Equity Derivatives and Debt Market, on two consecutive trading days viz. August 20, 2015 and August 21, 2015, from our Disaster Recovery (DR) Site located in New Delhi. Also your company is examining of moving its DR Site outside Delhi to save the cost.

vii. Certifications - Technology

In continuation with its commitment to provide quality-driven services to members, MSEI has successfully cleared the ISO 9001:2008 Re-certification Audit. Further, information security being a crucial aspect of day to day business processes, MSEI continues to retain the ISO/IEC 27001:2005 certification for its effective Information Security Management System.

3. Number of Meetings of the Board

Twelve meetings of the Board of Directors were held during the year. Further details, please refer report on Corporate Governance which forms part of the Annual Report.

4. Dividend

As the Company has reported losses for the year ended March 31, 2015, the Board of Directors do not recommended any dividend on the equity capital of the Company. For the same reason, no amounts are available for carrying to reserves.

5. Deposits

The Company has not accepted any deposit under Chapter V of the Companies Act, 2013 during the financial year under review.

6. Corporate Social Responsibility

In accordance with the provisions of the Section 135 of the Companies Act, 2013 and rules made thereunder, the Company has a Corporate Social Responsibility Committee comprising of Prof. (Mrs.) Ashima Goyal, PID, Mr. D.R. Dogra, PID and Mr. Saurabh Sarkar, MD&CEO.

As per the above provision, the Company has to spend in every year 2% of the average net profit of the last 3 financial years or any part thereof, and if not the reason for not spending the amount.

Your Company is not obliged to spend on CSR on account of it suffering losses since past two years. The Company is compliant to the provision so far as applicable to constitute CSR Committee which has been framed in accordance with the law.

7. <u>Human Resources and Particulars of Employees</u>

The employee count stood at 162 as at March 31, 2015 as against 244 as on March 31, 2014.

Information in accordance with the Regulation 27(5) of SECC Regulations, the compensation given to the key management personnel are set out in the Annexure I to the Directors' Report.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to your Company as it is not a listed company. Yet, to adhere to high standards of transparency and corporate governance norms, the details of remuneration of Directors and employees have been given at Annexure VII of this report.

The Company has adopted a Code for Key Management Personnel and Employees which includes a Whistle Blower Policy details of which are included in the Corporate Governance Report which forms a part of this Report.

8. Awards and Accolades

During the year, your Company has been affirmed as the 'Stock Exchange of the Year – Asia 2014' by 'The European', an International London based magazine.

9. Subsidiary

Your Company has two subsidiaries i.e. Metropolitan Clearing Corporation of India Limited (MCCIL) (Formerly known as MCX-SX Clearing Corporation Limited) (MCX-SX CCL) and MCX-SX KYC Registration Agency Limited (MCX-SX KRA). MCCIL undertakes clearing and settlement of the trades transacted on the Exchange platforms. The name of the Subsidiary Company has been changed from MCX-SX Clearing Corporation Limited to Metropolitan Clearing Corporation of India Limited pursuant to Certificate of Incorporation issued by the Ministry of Corporate Affairs dated August 18, 2015.

There were no new subsidiaries incorporated during the year and neither of the subsidiaries have ceased to be subsidiaries during the year. There are no joint ventures entered during the year. The Company does not have associate company.

MCX-SX KRA is a wholly owned subsidiary of your Company incorporated to undertake the business of KYC (Know Your Customer) Registration Agency and allied activities, subject to registration with SEBI under SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011. As its application for in-principle approval to act as KYC Registration Agency is under consideration with SEBI, MCX-SX KRA is yet to commence its operations.

As on March 31, 2015, the operational income of MCCIL has decreased from Rs. 23.91 crore in the previous year to Rs. 12.06 crore in the current year. The profit after tax increased from Rs. 0.12 crore in the previous year to Rs.1.32 crore in the current year.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the annual report of the subsidiaries and the related documents are placed on the website of the Company i.e. http://www.msei.in/aboutus/financials.aspx.

Shareholders may download the annual financial statements and detailed information of the subsidiaries from the Company's website or may write to the Company for the same. Further, the documents shall be available for inspection by the shareholders at the registered office of the Company.

The Company has not made any loans or advances in the nature of loans to any of its subsidiary company or companies. However, the Company has made an investment of Rs. 20,00,00,000/- in the equity shares of MCCIL after the end of the financial year.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries companies in Form AOC 1 is attached to the financial statements. The separate audited financial statements in respect of each of the subsidiary companies shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

10. Particulars of Loans, Guarantees or Investments

During the year, your Company has not provided any loans, guarantees or made any investments as per Section 186 of the Companies Act, 2013.

However, after the end of the financial year, the Board at the meeting held on June 27, 2015 approved the investment in equity shares of Metropolitan Clearing Corporation of India Limited (Formerly known as MCX-SX Clearing Corporation Limited) upto Rs. 60 crores in a phased manner. The Company has made investment of Rs. 20

crores in the equity shares of MCCIL. MCCIL at their Board meeting held on July 02, 2015 allotted 2,00,00,000 equity shares of Rs. 10/- each to the Company.

11. Changes in the Share Capital.

The Authorised Share Capital of the Company is Rs. 350,00,00,000/- divided into 350,00,00,000 equity shares of Re.1/- each.

A total of 1,19,66,30,000 transferable warrants issued under the scheme of reduction cum arrangement which was sanctioned by the Hon'ble High Court of Bombay were held by two shareholders. The said warrants were to be disposed-off within a period of 3 years from the date of notification of SECC Regulations i.e. by June 19, 2015. SEBI vide order dated March 19, 2014 declared FTIL to be "not fit and proper person" and as upheld by SAT order dated July 09, 2014 to hold shares/warrants in the Stock Exchange. After perusing a legal opinion taken in the matter, the Board of Directors had at their meeting held on August 14, 2014 decided to treat the warrants held by FTIL as extinguished and of no effect whatsoever, on account of their continuance to hold the same post lapse of time limits specified by SEBI/SAT.

Further, the Company had received a letter dated November 26, 2014 from FTIL formally enclosing the announcement made to BSE on November 25, 2014 under listing agreement stating that they had entered into share / warrant purchase agreements with certain third party investors for completely selling their stake of shares and warrants in MSEI. The sale was stated to be subject to regulatory approvals. With the said letter, they had enclosed their original warrant certificate with a request to split the same into 19 certificates as per details given therein to enable transfer of the warrants to the different parties.

Accordingly, the Board at its meeting held on November 27, 2014 on the basis of the legal opinion decided to reverse the decision to extinguish 56,24,60,000 warrants held by FTIL subject to the following:

- i. The said warrants shall be transferred to the specific third parties named by FTIL only.
- ii. The said third parties shall exercise the rights attached to the warrants in terms of the SECC Regulations, 2012.

Accordingly, FTIL transferred 56,24,60,000 warrants to 15 third parties which was subsequently converted into Equity Shares in different tranches by them. FTIL further transferred 2,71,65,000 Equity shares held by it to one of the aforesaid third party. With the completion of the above transaction, FTIL has completely divested its equity as well as warrants holding in the Exchange. The shareholders at the Extra Ordinary General Meeting held on March 27, 2015 approved the ratification of extinguishment of warrants and reversal of extinguishment of said warrants held by Financial Technologies (India) Limited.

In terms of SEBI's letter dated July 10, 2012, the erstwhile promoters Multi Commodity Exchange of India Ltd. (MCX) was required to bring down their joint shareholding in the Company within 5% limit as mentioned in the SECC Regulations within 18 months from the date of the letter.

Out of 63,41,70,000 warrants held by Multi Commodity Exchange of India Ltd (MCX), 3,05,39,982 warrants were transferred by MCX to IL&FS which was subsequently converted into Equity Shares by them. MCX itself exercised 2,10,46,514 Warrants into Equity Shares.

As on March 31, 2015 the shareholding of the Company stood at Rs. 116,34,13,045/-.

After the end of the financial year, MCX further exercised 1,09,57,894 Warrants into Equity Shares and IL&FS exercised 90,17,227 warrants into Equity shares out of 3,05,39,982 warrants transferred by MCX to them.

SEBI had vide letter dated July 10, 2012 advised the Exchange to comply with certain conditions. One of the conditions was that the Multi Commodity Exchange of India Limited (MCX) shall reduce their entitlement to equity or rights over equity arising from such instruments (warrants) in excess of limit of shareholding as specified in the

SECC Regulations, within a period of three years from the date of notification of the SECC Regulations i.e. June 19, 2015. Accordingly, the said period of divestment of warrants by MCX expired on June 19, 2015.

After the exercise of warrants into Equity shares and transfer of warrants to IL&FS, the warrants remaining with MCX was 57,16,25,610. Subsequently, MCX vide letter dated June 19, 2015 intimated the Exchange that out of 57,16,25,610 warrants they had transferred 14,82,77,938 warrants to 150 applicants and vide email dated June 19, 2015 informed that they wanted to convert 74,30,000 warrants into Equity shares of Re. 1/- each to increase their holding to 5% of the enhanced capital post sale and subsequent conversion of warrants by applicants.

The Board considering the facts and circumstances and taking into interest of all the stakeholders felt that there was no other choice but to extinguish the warrants held by MCX in excess of shareholding limits as prescribed in the SECC Regulations. Accordingly, the Board perused the legal opinion and in consensus decided to treat 41,59,17,672 warrants of MCX (remaining after transfer to 150 applicants and intended exercise of 74,30,000 warrants into Equity Shares by MCX) as extinguished and of no effect whatsoever, on account of their continuance to hold the same post lapse of the time limits specified by SEBI and transfer of amount of the warrants held by MCX from non-refundable interest free deposit to the capital reserve of the Company.

Pursuant to transfer of 14,82,77,938 warrants to 150 applicants, the said warrants were converted into Equity Shares by the aforesaid applicants except of one applicant thereby increasing the paid up capital of the Company. MCX itself exercised 74,30,000 warrants into equity shares as intimated vide email dated June 19, 2015 inorder to increase their holding to 5% of the enhanced capital post sale and subsequent conversion of warrants by 150 applicants.

MCX has filed Suit No: 685 of 2015 and subsequent Notice of Motion (NOM (L) No. 1784 of 2015) to restrain MSEI from taking any action pertaining to the warrants. In the said matter the Hon'ble Justice Mr. G.S. Patel passed an Order dated July 10, 2015 which recorded the undertaking by the Defendant that the Defendant will not act in the furtherance of the Defendants Board decision dated June 27, 2015 till further orders of the court. Further no steps will be taken to implement the decision.

The Notice of Motion is listed for ad-interim reliefs on September 08, 2015.

The Company after the end of the financial year had floated a rights issue of equity shares offering 118,33,88,166 (One Hundred and Eighteen Crore Thirty Three Lakhs Eighty Eight Thousand One Hundred and Sixty Six Only) Equity Shares of Re. 1/- (Rupee One Only) each ("Rights Shares") in the ratio of 1 (One) Equity Shares for every 1 (One) Equity Share held by the existing equity shareholders of the Company on the Record Date.

The Company had received a total subscription for 73,97,02,187 equity shares which included additional shares applied by the existing shareholders under rights issue and new investors out of unsubscribed portion of the rights issue. Further, the Board at the meeting held on August 08, 2015 decided to dispose the unsubscribed portion of the rights issue by issuing shares to those applicants who had expressed their interest to subscribe to the equity shares out of the unsubscribed portion of rights issue. The terms and conditions for issue of shares from the unsubscribed portion were at par with the rights issue offered to the shareholders.

Pursuant to the regulatory norms on the shareholding and subject to the approval of SEBI, the Board at its meeting held on August 29, 2015 allotted 60,75,88,017 shares at an issue of Re. 1/- each to the subscriber shareholders under rights issue and out of unsubscribed portion of rights issue.

After the above allotments, the paid up capital of the Company stands at Rs. 1,94,66,69,121/-.

12. Risk and Internal Adequacy

The Exchange has appointed a Risk officer to specifically look after the risk faced by the Exchange and to have the mitigation plan for the same. The same is reviewed periodically by the Audit Committee.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. These systems are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management systems.

13. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company has a policy of switching off power after the office time in those areas where staff has left for the day. Staffs are strictly instructed to switch off their monitors before they leave for the day. Company is in the process of changing all CFL bulbs to LED bulbs which shall further save the energy.

There was no foreign exchange earnings during the period ended March 31, 2015.

The foreign exchange outgo during the year ended March 31, 2015 cumulatively amounted to Rs.53,60,534/- as compared to Rs. 10,791,012/- in the year ended March 31, 2014.

14. Employees Stock Option Plan

Presently, Stock Options granted to the employees operate under Employees Stock Options, 2009. There has been no variation in the terms of the options granted under the above scheme. During the financial year under review, your Company had allotted 3,19,833 equity shares of Rs. 2.10/- each to MCX Stock Exchange ESOP Trust which was transferred to the respective employees demat account. The details of the employee stock options are set out in the Annexure II to the Directors' Report.

15. Particulars of Contracts or Arrangements with Related Parties

There are no new transactions entered with Related Party. All the transactions are under the pre-existing arrangements. The transactions with related party are in Ordinary Course of the Business and on Arm's Length basis. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC 2 is set out in the Annexure III to the Directors' Report.

16. Directors and Key Managerial Personnel

Your Board currently comprises of Five Directors which includes four Public Interest Directors and a Managing Director & CEO. The composition of the Board continues to be in compliance with the regulatory requirements of SEBI as laid down in the SECC Regulations. Mr. Anand Sinha was appointed as Public Interest Director pursuant to the SEBI's approval w.e.f. June 19, 2015. In order to comply with the provisions of Sections 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 it is proposed to appoint him as Independent Director of the Company for his remaining period as Public Interest Directorship not liable to retire by rotation. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him proposing himself as a candidature for the office of Independent Director. The necessary resolution for the appointment of Mr. Anand Sinha as Independent Director has been included in the notice convening the ensuing AGM.

Further, the Board appointed Mr. Pankaj Talwar as the Shareholder Director of the Company as per SECC Regulations subject to approval of shareholders and SEBI. Post approval of shareholders, the same would be sent to SEBI for his approval as shareholder Director of the Company. The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him for proposing himself as a candidature for the office of

Shareholder Director liable to retire by rotation. The necessary resolution for the appointment of Mr. Pankaj Talwar as a Shareholder Director has been included in the notice convening the ensuing AGM.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013.

During the year under review Mr. Vikas Phadke was appointed as a Chief Financial Officer- Key Managerial Personnel in accordance with the provisions of section 203 of the Companies Act, 2013 with effect from September 24, 2014. However, he resigned as Chief Financial officer- a Key Managerial Personnel with effect from the close of business hours on July 20, 2015.

Further, during the year under review, Mr. Sarat Chandran resigned as the Company Secretary - Key Managerial Personnel of the Company, with effect from the close of business hours on January 21, 2015. The Board of Directors at their meeting held on May 29, 2015 appointed Ms. Divya Damania as the Company Secretary - Key Managerial Personnel of the Company in accordance with the provisions of Section 203 of the Companies Act, 2013, with effect from May 29, 2015.

As on March 31, 2015, Key Managerial Personnel of the Company pursuant to the Securities Contracts (Regulations)(Stock Exchange and Clearing Corporations) Regulations, 2012 are Mr. Sanjay Golecha, Vice President - Investor Grievance & Arbitration and Compliance, Mr. Atul Bapna, Vice President - Membership and Inspection, Mr. Rajesh Bagwe, Vice President - Human Resources and Mr. A. Sebastin, Vice President - Market Operations.

Details of Board Committees along with their terms of reference, composition and meetings held during the year, are provided in Corporate Governance Report which forms part of this Report.

17. Policy on directors' appointment and remuneration

The Company has to comply with the SEBI (Securities Contract and Clearing Corporation Regulation), 2012 for appointment of directors on the governing board. Further the remuneration payable to the Executive Directors is also governed by the SECC Regulations. The Board periodically evaluates the need for change in its composition and size.

The policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for key managerial personnel and other employee's is set out in Annexure IV to the Directors' Report.

18. <u>Declaration by Independent Directors</u>

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

19. Evaluation of Directors and the Board

With the objective of enhancing the effectiveness of the Board, the Nomination & Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and each director. The Nomination & Remuneration Committee at its meetings discussed and reviewed the criteria for evaluating the performance of the all the directors. During the year, the Nomination cum Remuneration Committee evaluated the performance of all the independent directors. However, the performance of the Managing Director was evaluated while making the revision in his remuneration for a further period of one year.

20. Auditors

As the Public Sector Banks were holding more than 51% of the paid-up capital of the Exchange, the Statutory Auditors of the Company were appointed by the Office of the Comptroller and Auditor General of India (CAG) in terms of provisions of Section 139(5) of the Companies Act, 2013. M/s T.R. Chadha & Co., Chartered Accountants, Mumbai, were been appointed by the said Office for the financial year 2014-15.

However, during the year under review due to changes in the capital structure of the Company, the shareholding of Public Sector Banks have reduced from 80.11% to 38.45%. In view of this development the Company is no longer required to comply with the provisions requiring appointment of statutory auditors and supplementary audit by the office of the CAG of India. The Company has received a letter dated August 24, 2015 from the Office of Principal Director of Commercial Audit and Ex-Office Member, Audit Board – I, Mumbai intimating that due to change in the shareholding pattern supplementary audit of Metropolitan Stock Exchange of India Limited (formerly known as MCX Stock Exchange Ltd.) for the year 2014-15 will not be conducted by their office.

In view of the same, the Board proposes to the members the appointment of M/s. T R Chadha & Co, Chartered Accountants, Mumbai having registration number 006711N as the statutory auditors of the Company for a period of four years, to hold office as such until the conclusion of the 11th AGM, subject to them ratifying the said appointment at every AGM. Further, CAG had vide letter dated August 21, 2015 intimated to the said auditors that they had no restriction on their appointment as the Statutory Auditors of the Company.

The Company has received a confirmation dated August 07, 2015 to the effect that their appointment if made at the ensuing AGM would be in terms of Section 139 and 141 of the Companies Act, 2013 and rules made thereunder.

21. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Jayshree Dagli & Associates, Practicing Company Secretaries to undertake the secretarial audit of the Company. The Secretarial Audit Report is annexed as Annexure V to this report.

22. Litigations

During the year, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

23. Other Developments

The summary of recent developments at the Exchange is as follows:

- The Exchange has received an approval from the Registrar of Companies (ROC) for its new name Metropolitan
 Stock Exchange of India Ltd. The aforesaid name was approved by the shareholders at the Extra Ordinary
 General Meeting held on February 09, 2015. The new name for the Exchange is a crucial development in its
 turnaround strategy to dissociate completely from its old identity and pave its way for further business
 development.
- The Exchange had received 'renewal of recognition' from SEBI for a period of one year commencing from September 16, 2014 to September 15, 2015, subject to certain conditions, which have already been met with.
- The Board of Directors of the Exchange issued equity shares to 15 new investors (subject to post facto approval of SEBI, wherever applicable) post transfer and conversion of warrants and equity held by FTIL. These 15 investors include Dr. Rakesh Jhunjhunwala, M/s. Trust Investment Advisors Private Limited, M/s. Edelweiss Commodities Services Limited, M/s. Aadi Financial Advisors LLP, M/s. KIFS Securities Private Limited, M/s. Alchemy Equity Research and Securities Private Limited, Mrs. Viral A. Parikh, Mr. Nemish S. Shah

as karta of Nemish S. Shah H.U.F., M/s. Derive Investments, Mr. Kalpraj Dharamshi, Mr. Dhanesh Sumatilal Shah, Mr. Uday Shah, Ms. Madhuri Kela, Ms. Renuka Shah and Ms. Madhu Vadera Jayakumar. Post transfer of warrants and equity to the investors mentioned above, FTIL has completely exited from the Exchange.

- With this development, the most important conditions as enumerated in the letter dated September 15, 2014 issued by SEBI while granting renewal of recognition with respect to net-worth of the Exchange had also been met with. The net-worth of Exchange now stands comfortably above the regulatory minimum.
- After the said compliance, SEBI accorded its approval to the Exchange to launch fresh contracts in all segments. This has paved way for the Exchange to launch new contracts in Currency Futures, Currency Options, Interest Rate Futures, Equity and Index Derivatives. The said approval has built further confidence in the members to take positions in all new contracts.
- The Exchange has shifted its registered office from Andheri (East) to the premier Business District, Bandra-Kurla Complex (BKC). Within a week of shifting its registered office, the Exchange had successfully shifted its data center and co-location set-up from Exchange Square and FT Tower, Andheri (East) respectively to BKC. All Feed Vendors, Depositories, Clearing Banks and Custodians were also connected to the new data center. The shifting of the data center to a reputed partner like Tata Communications Limited has benefitted the Exchange in terms of cost reduction and achievement of world class service standards.
- The Exchange has filed an application for compensation under Section 53N of the Competition Act, 2002 before the Hon'ble Competition Appellate Tribunal (COMPAT) for recovery of a compensation amount of Rs. 856.99 Crore along with interest pedente lite in future at the rate of 18% till realization of the claim from NSE in respect of loss/ damage caused on account of the anti-competitive practices of NSE in the CD Segment. The said claim was filed pursuant to order dated August 05, 2014 passed by the Hon'ble COMPAT whereby the Order dated June 23, 2011 passed by the Hon'ble Competition Commission of India (CCI) was upheld and the allegation against NSE and contravention established by the Hon'ble CCI was found to be genuine and correct.
- NSE has filed an appeal before the Hon'ble Supreme Court on September 16, 2014 against the order dated August 5, 2014 whereby the Hon'ble COMPAT held NSE guilty of contravening the provisions of Section 4 of the Competition Act, 2002. Subsequent to the appeal, an interim stay on the recovery of penalty amount was granted by the Hon'ble Supreme Court. The matter is now listed for hearing on September 15, 2015.
- Exchange (Applicant) has filed its Rejoinder with the COMPAT towards the Preliminary reply filed by Respondent (NSE). The matter is listed for hearing on September 9, 2015.

24. Material Changes and Commitments as affecting the Financial Position of the Company.

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

25. Change in the nature of business

Your Company has not undergone any changes in the nature of business during the financial year.

26. Explanation to the Auditors Qualification

The Auditors of the Company have expressed their qualifications and made remarks on the audited financials statements of the Company for the year ended March 31, 2015. The Board of Directors submits their explanations on the qualifications and their remarks as under:

a. The auditors have remarked that the company continues to prepare its Financial Statements on going concern basis, even though its net-worth has been substantially eroded due to losses incurred during the previous year(s) and in the current period and there is no confirmation on required funding to the company for its continued business. The company is however confident of raising funds, increase volume and make profits in future years and hence prepared the accounts on going concern basis including not carrying out the

impairment testing to ascertain carrying value of fixed assets, etc. and also the sum of Rs.35.17 Crores and Rs.1.86 Crores towards Service tax set-off and MAT Credit is considered as recoverable. The Company believes that the going concern assumption is justified on account of the following:

- The Company in response to rights issue received Rs 73.97 crore. However, the Board in accordance with SECC Regulations decided to retain Rs. 60.75 crore through rights issue.
- The networth of the Company is well above the Regulatory requirement of Rs. 100 crore.
- Various steps have been taken to reduce the operating cost by reviewing the contracts to ensure that
 charges paid for infrastructure, software and software support are comparable to those paid by
 other exchanges in similar line of business and taking steps to reduce other administrative and
 business development costs.
- The Company is focusing in improving its turnover and in turn in its operating revenue.
- b. The auditors have remarked that the Company, in the earlier years, entered into various contracts with the parties mentioned in the register maintained under Section 301 of the Companies Act, 1956 to whom amounts have been paid as Infrastructure, software and software support charges during the said years in respect of which no alternative quotations are/were available. The Management has already renegotiated few of such contracts and is in the process of reviewing other such contracts / charges to establish their reasonableness for similar line of business. During the financial year 2014-15 the Company re-negotiated charges paid for infrastructure, software and software support resulting in sizeable reduction in its technology cost.

27. <u>Comments of the Board of Director on the critical comments made by the Secretarial Auditors in their report</u>

The Secretarial Auditors of the Company have expressed their qualifications and made remarks in their Secretarial Audit Report for their year ended March 31, 2015. The Board of Directors submit their explanations

The Board of Directors has considered the critical comments made by the secretarial auditor in their report. The comments of the Board on such critical comments are as follows:-

1. With respect to point no. 1 of the critical comments it is being clarified that in terms of Regulation 21(1) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SECC Regulations"), the Company could have only three categories of directors namely PIDs, Managing Director and shareholder director. The first two categories of directors have fixed tenure in terms of SECC Regulations and hence were not liable to retire by rotation. After resignation of two share holder directors in the previous financial year, the Company had been making efforts to replace them. However, it was unable to do so as most of its shareholders were trading members or affiliates of trading members or affiliates of trading members, who were not eligible to propose shareholder directors in terms of the SECC Regulations. The candidates as proposed by other shareholders were deemed to be associates of trading members in terms of regulation 23(7) of the SECC Regulations and hence were not eligible to be appointed as shareholder directors.

Since the Exchange's shareholding base mostly composed of trading members or those having some association with trading members during the year, the Company could not appoint a shareholder director. Now that the shareholding of the Company has been further based, the Company has taken efforts to comply with the said provision. Accordingly, the Board vide circular resolution dated July 07, 2015 appointed Mr. Pankaj Talwar, as the shareholder director subject to the approval of shareholders and SEBI liable to retire by rotation. The Company is also in the process of appointing one more shareholder director to comply with the above provision. The appointments will take effect upon shareholders' and SEBI's approval to the respective proposals.

2. With respect to point no. 2 of the critical comments please refer the clarification provided in point no. 1 above. Once appointment of Mr. Pankaj Talwar is approved by the shareholders and the SEBI, Mr. Pankaj

Talwar would be inducted as the shareholder director in the Ethics Committee as well as the Sub Committee for Monitoring Compliance.

- 3. With respect to point no. 3 of the critical comments it is hereby clarified that the fact of passing the circular resolution has been duly recorded in the minutes. However, the text of the resolution was not reproduced in verbatim. Going further, the Company is following specific requirement of Secretarial Standards which have come into effect from July 1, 2015. The text of the resolutions are now being verbatim reproduced in the minutes of the respective meetings.
- 4. With respect to point no. 4 of the critical comments it is hereby clarified the meetings are signed within 30 days of the meeting except in some cases. The date of recording was not mentioned however the date of signing is mentioned in the minutes.
- 5. With respect to point no. 5 of the critical comments it is hereby clarified that since the first meeting of the Board was called for transacting certain emergency matters, the disclosure was not placed at the said meeting. However, the disclosure was then placed at the very next meeting and accordingly the resolution was passed noting them. Further, the copy of the disclosure containing all details received from the directors was placed before the meeting for information of the Board. Henceforth, as suggested by the Auditors the details of the name of the director and nature of disclosure will be specifically incorporated in the minutes.
- 6. With respect to point no. 6 of the critical comments it is hereby clarified that the 60,50,29,269 shares on the issuance of which stamp duty is reported to have not been paid were in fact shares which were allotted upon conversion of equivalent number of warrants held by the allottee. These warrants were issued to the initial holders thereof in lieu of the shares which were earlier held by them and extinguished in terms of the Scheme of Reduction cum Arrangement sanctioned by the Hon'ble High Court of Bombay vide Order dated March 12, 2010 passed in CP no.43/2010. Requisite stamp duty was paid on such original shares. As such, the original instruments from the present 60,50,29,269 shares were those on which stamp duty was duly paid. In light of the same, the Company is of the view that no further stamp duty is liable to be paid on the current shares.

With respect to allotment of 1,36,98,376 Equity Shares @ Rs.5/- per Share (inclusive of Premium of Rs. 4/- per share) on Rights basis, stamp duty on 25000 shares was paid. However, the stamp duty on remaining 13,673,376 shares was inadvertently not paid and steps are being taken to pay the same. The stamp duty of Rs. 68,492/- on the remaining shares alongwith any additional fine if any will be paid by the Company as soon as possible.

- 7. With respect to point no. 7 of the critical comments it is hereby clarified that an amount of Rs. 1,81,58,541/-includes Rs. 19,16,667/- paid to buyout the notice period from the previous employer of Mr. Saurabh Sarkar as decided by the Board. Being a payment required to be made to his earlier employer to facilitate his early relieving and early joining in the Company, this payment was not in the nature of remuneration. However, it was erroneously shown under the head remuneration in the notes to accounts of the Company instead of recruitment cost.
- 8. With respect to point no. 8 of the critical comments it is hereby clarified that during the financial year 2012-2013, the Exchange had received exercise applications from 98 employees who had exercised the first tranche of stock options under the ESOP scheme of the Company including employees of the subsidiary. Under the erstwhile provisions in proviso to section 67(3) of the Companies Act, 1956, any offer or invitation to subscribe for shares or debentures would be termed as public offer in case the offer or invitation was made to fifty persons or more and there was no exclusion for ESOP allottees. In view of the impending rights issue of the Company it was decided not to transfer shares to the relevant employees who exercised their options as then the number of shareholders would have increased beyond 50 and any rights issue to such increased number would have run the major risk of it being deemed as a public issue. At the material point of time, the Company was at a critical juncture and had to raise moneys necessarily through rights issue. Hence it was decided that the transfer of shares pursuant to exercise of options may be done to the employees soon after the allotment

of the shares under the rights issue was done. The shares were duly so transferred after the rights issue allotments.

Further there is a typographical error in the scheme wherein in one place exercise period is mentioned as 5 years at one place and 3 years at other place, for which necessary corrective action will be taken.

- 9. With respect to point no. 9 of the critical comments it is hereby clarified that in terms of the new SEBI (Share Based Employee Benefits) Regulations, 2014, it is specifically provided that the listed issuers has to comply with the new Regulations within one year of the same coming into effect i.e. by October 28, 2015. It is also noteworthy that the Company has not made any grant of ESOPs under its ESOP scheme since coming into force of the new SEBI Regulations. Further, the Regulations are as such not applicable to the Company as a mandatory compliance provision, but rather the Company had earlier voluntarily decided that the Scheme shall be in compliance with the SEBI (ESOS & ESPS) Guidelines, 1999. Nevertheless, the Company shall examine this observation further and take necessary steps, if needed.
- 10. With respect to point no. 10 of the critical comments it is hereby clarified in all instances the matters were placed before the Ethics Committee. The Committee noted that the violations were the first time by the respective employees. The Committee also noted that the employees had given undertaking of not repeating such violations. In view of the same, the Committee advised to issue caution letters to them, which were duly issued.

28. <u>Directors' Responsibility Statement:</u>

In accordance with the provisions of Section 134 (3) (c) of the Companies Act, 2013 and based on the information provided by the management, your Directors state that:

- a. in the preparation of the annual accounts for the year 2014-15, the applicable accounting standards have been followed and there are no material departures;
- b. they have, in the selection of the accounting policies, and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2014-15 and of the profit of the Company for that period;
- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of
 adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding
 the assets of the Company and for preventing and detecting frauds and other irregularities;
- d. they have prepared the annual accounts on a going concern basis (Auditors Qualification and the Director's explanation on the same given at section 24 above may be seen).
- e. they have laid down internal financial controls followed by the Company and that such Internal financial controls are adequate and were operating effectively.
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. <u>Corporate Governance Report, Management Discussion and Analysis Report and Business Responsibility Report</u>

In terms of Regulation 35 of SECC Regulations and Clause 49 of the Listing Agreement, the Corporate Governance Report, Management Discussion and Analysis Report are attached to and forms part of this Report.

30. Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT 9 is set out as Annexure VI to this report.

31. <u>Particulars relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.</u>

During the year ended March 31, 2015, no complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 were received.

32. Acknowledgements:

The Directors would like to place on record their gratitude for the valuable guidance and support received from the Government of India, particularly Ministry of Finance and Ministry of Corporate Affairs, Securities and Exchange Board of India, Reserve Bank of India, participating banks, clearing banks, shareholding banks and institutions, NSDL, CDSL, FICCI, CII, ASSOCHAM, IMC, SAFE and various other international, national and regional chambers of commerce, trade associations and all other broker-members, lawyers and law firms, consulting firms, vendors, technology partners and all other business associates for the continuous support given by them to the Company.

The Directors also wish to convey their appreciation to the Company's employees for their enormous personal efforts as well as their collective contribution which enabled the Company to meet the challenges set before it, including the fierce competition in the sector.

For and on behalf of the Board of Directors

Thomas Mathew T.

Chairman DIN: 00130282

Date: August 29, 2015 Place: Mumbai

ANNEXURE I

STATEMENT PURSUANT TO REGULATION 27(5) OF THE SECC REGULATIONS

Name & Qualifications	Age	Designation/Nature of Duties	Remuneration received (Gross Rs.)	Experience (No of years, months)	Date of commenc ement of employme nt	Previous employment	Nature of employment (contractual or otherwise)
Saurabh Sarkar# B Tech, MBA	46	MD & CEO	1,81,58,541	19.11	1-Feb- 14	United Stock Exchange Itd.	Confirmed
B.Com, Diploma in Computer Software & Application	54	Director & Head – Business Development	42,96,141	29.04	18-Jun- 12	Universal Commodity Exchange	Confirmed
Ghanashyam Vishwanath Rao B.Com, DMS, MBA	47	Vice President – Corporate Finance & Strategy	38,98,721	25.10	01-Nov- 08	МСХ	Confirmed
Rajesh Bagwe B.Sc, Master of Labour Management, LLB	50	Vice President – Human Resources	40,40,799	25.06	01-Nov- 12	МСХ	Confirmed
A. Sebastin MSc, MPhil, CFA	55	Vice President – Market Operations	34,95,019	32.02	19-Nov- 08	NSE	Confirmed
Sanjay Golecha B.Com, FCA	49	Vice President - Investor Grievance & Arbitration and Compliance Officer	34,35,598	25.09	01-Nov- 12	Practise and Management Consultant	Confirmed
Atul Bapna BE, MBA	40	Vice President – Membership & Inspection	39,73,192	17.04	23-Oct- 12	Nomura Financial Advisory and Securities India Pvt Ltd	Confirmed
Vikas Phadke B com, CA & CS	51	Chief Financial Officer	16,95,344	27.01	07-Oct- 14	MCX	Confirmed
Sanjit Prasad BA, PGDRM*	44	Director – Business Development	1,02,48,473	18.10	15-Jul- 11	МСХ	Confirmed
Setu K Shah B.Com, MBA**	38	Sr. Vice President – Communications & CSR	57,82,237	15.08	15-Jul- 11	МСХ	Confirmed
S Sarat Chandran B.A, M. L., CS***	38	Head - Legal and Company Secretary	41,40,460	16.03	10-Nov- 08	Eight Capital Advisory Services	Confirmed
Venkatachalam Shunmugam**** B.Sc, M.Sc, PhD	46	Chief Economist - Research & Product Development	39,75,373	16.09	01-Aug- 11	МСХ	Confirmed
Himanshu Ashar B.Com, CFA****	43	Vice President – Market Operations	31,12,186	20.09	15-Jul- 11	MCX	Confirmed

#Includes Rs. 19,16,667/- paid to buyout the notice period from the previous employer of Mr. Saurabh Sarkar as decided by the Board. Being a payment required to be made to his earlier employer to facilitate his early relieving and early joining in the Company, this payment was not in the nature of remuneration. However, it was erroneously shown under the head remuneration in the notes to accounts of the Company instead of recruitment cost.

*Resigned w.e.f December 31, 2014. **Resigned w.e.f December 11, 2014. ***Resigned w.e.f January 21, 2015.

****Resigned w.e.f May 31, 2014. | ****Resigned w.e.f December 05, 2014.

The above KMP's was for the financial year 2014-15. However the Board at the meeting held on March 13, 2015 adjourned to March 27, 2015 revised the list of KMP. The details of the KMP as per SECC Regulations as on March 31, 2015 as given under the heading Directors and Key Managerial Persons.

Notes:

- 1. Excludes tax, gratuity and long term compensated absences which are actuarially valued and where separate amounts are not identifiable.
- 2. All other employees listed above are/were in permanent employment of the Company in accordance with the terms and conditions of employment agreed with them and the service rules of the company.
- 3. None of the above employees are related to any Director of the Company.
- 4. None of the employees hold any equity shares in the Company within the meaning of clause (iii) of sub-rule (2) of Companies (Appointment and Remuneration) Rules, 2014

For and on behalf of the Board of Directors

Thomas Mathew T.

Chairman

DIN:- 00130282

Date: August 29, 2015 Place: Mumbai

ANNEXURE II

<u>DISCLOSURES OF THE EMPLOYEE STOCK OPTION SCHEME, 2009 (ESOP SCHEME 2009) UNDER THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA</u>

Sr. No.	Particulars	Round I	Round II	Round III	Round IV
А	Options granted	11,25,000 (on November 27, 2009)	40,55,100 (on March 20, 2012)	5,53,250 (on November 1, 2012)	1,45,800 (on March 12, 2013)
В	The pricing formula	Based	on the fair price of the s	hares on the date of grant.	
С	Options vested	11,25,000	40,55,100	5,53,250	1,45,800
D	Options exercised till March 31, 2015	7,05,000	4,18,833	NIL	NIL
Е	The total number of shares arising as a result of exercise of options	Not Applicable,	as ESOPs are presently i	ntended to be offered throu	igh Trust
F	Options lapsed (as at March 31, 2015)	4,20,000	4,52,189	1,04,311	57,359
G	Variation of terms of options (as at March 31, 2015)		None	е	
Н	Money realized by exercise of options	Rs. 7,05,000	Rs. 8,79,563	NIL	NIL
I	Total number of options (vested and unvested) in force (as at March 31, 2015)	Nil	12,67,174	4,17,443	7,151
	Employee wise details of options granted to				
	i) senior managerial personnel	NIL	Mr. Joseph Massey – 10 lakh Mr. U. Venkataraman – 2.5 lakh	NIL	NIL
J	ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	As the grant was made to a total of 8 non-executive, non-promoter directors during 2009-10, all of the grants were in excess of 5% of the total options granted in that year.	Mr. KRCV Seshachalam# – 2.5 lakh Mr. Sanjit Prasad – 2.5 lakh	Mr. Suniel Vichare – 2.5 lakh Mr. Chandresh Bhatt – 44,000 Mr. Rajesh Bagwe – 48,000 Mr. Sanjay Golecha – 40,000 Mr. Atul Bapna – 40,000	Mr. Nimesh Shukla – 60,000
	iii) identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options	NIL			

[#] Resigned from the service of the Company w.e.f. March 31, 2012.

Note: SEBI vide its circular dated December 13, 2012 has prohibited ESOPs to form part of compensation of Key Management Personnel (KMP). Pursuant to said circular, the concerned Senior Managerial Personnel and KMPs have undertaken not to exercise the vested options which were granted/vested to them before the notification of the aforesaid SEBI circular, in contravention of the SECC Regulations and circulars or instruction issued thereunder from time to time.

Sr. No.	Particulars	Round I	Round II	Round III	Round IV	
A	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share' (as at March 31, 2015)	h (0.89)				
В	i) Method of calculation of employee compensation cost		As per intrinsic	value method.		
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options	Rs.13582/- (Rupees Thirteen Thousand Five Hundred and Eighty Two only)				
	iii) The impact of this difference on profits and on EPS of the Company	Loss would have been greater by Rs. 13582/ There would have been no material impact on the EPS.				
С	Weighted average exercise price and Weighted average fair value		Not App	licable		
D	Fair value of options	Rs. 0.15/-	Rs. 0.25/-	Rs. 0.003/-	0	
	Assumptions	 Risk Free Rate is based upon Govt. Securities Dividends are not considered Standard Deviation and Variance are not considered There was no Transaction and Tax cost 				
	Risk Free rate	8.00%	8.75%	9.00%	9.00%	
	Expected life of options	Average time for expiry of option is taken as 2 years				
	Expected Volatility	1%				
	Expected Dividends	The Company has made losses in this financial year and does not intend to propose any dividend for the financial year 2014-15.				
	Closing market price of share on a date prior to option grant		Not App	licable		

Notes:

- 1. Options under the ESOP Scheme were offered through the Trust. Future options are presently intended to be offered through one or more trusts.
- 2. The shares of the Company are not listed on any Stock Exchange. Therefore, expected volatility has been considered as 1% and fair value of the Option has been considered as Re. 1/- being the face value.

For and on behalf of the Board of Directors

Thomas Mathew T.

Chairman DIN: 00130282

Date: August 29, 2015 Place: Mumbai

ANNEXURE III

FORM No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

- 1. Details of contracts or arrangements or transactions not at arm's length basis- Not Applicable
- 2. Details of material contracts or arrangement or transactions at arm's length basis:-

Name(s) of the related party and nature of relationship	Nature of contracts/arrangements /transactions	Duration of the contracts/ Arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value for the year.	Date(s) of approval by the Board, if any	Amount paid as advances , if any
	Agreement for providing Clearing & Settlement Services	From October 01, 2012 till it is terminated	MCCIL on behalf of MSEI would be clearing and settling the trades done on the Exchange. Rs. 12,45,41,005/-	-	-
Metropolitan Clearing Corporation of India Limited (Formerly known as MCX SX Clearing	Agreement for sharing resources	From January 02, 2013 till it is terminated (Principal Agreement dated February 13, 2009 read along with addendum dated January 05, 2010 stands replaced with this agreement w.e.f. September 10, 2012)	Installation, Maintenance and support of DOME and Cns Software and networking infrastructure by FTIL in terms of FTIL agreements. Rs. 14,02,22,230/	-	-
Corporation Limited) (Subsidiary Company)	Sub-License Agreement	From September 01, 2014 to March 14, 2018 (For BKC). From May 01, 2015 to October 31, 2015 (For Exchange Square).	To occupy and use a part of Exchange Square Building and BKC. Rs. 36,00,068/-	-	-
	Tripartite Agreement between MSEI, MCCIL and FTIL	From April 15, 2010 till it is terminated	Agreement to call upon MCCIL to pay amounts under the agreements dated 25th August 2008 and 15th September 2008, in case of default by MSEI.	-	-

ANNEXURE IV

NOMINATION AND REMUNERATION POLICY

I. Introduction

This Policy applies to the Board of Directors, Key Managerial Personnel and Senior Management Personnel of Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited) (hereinafter referred to as "Exchange").

The policy envisages the framework for nomination, remuneration and evaluation of Board of Directors, Key Managerial Personnel, Senior Management Personnel and Employees in accordance with provisions of Section 178(4) of Companies Act, 2013, ('the Act') including rules thereof, Clause 49 of the Listing Agreement and Regulation 27 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

The Company aims to achieve balance of merits, experience and skills amongst its Directors, Key Managerial Personnel, Senior Management Personnel and Employees.

The compensation governance practices, which are set out in this Policy, are part of the overall corporate governance structure. They should be read in conjunction with the other policies and guidelines of Exchange. The policy adheres to the compensation principles stipulated by Securities and Exchange Board of India (SEBI) and other applicable laws.

II. Objective

The objective of this policy of Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited) (hereinafter referred to as "Exchange") is to:

- support performance that is based on merit, and differentiate and reward excellent performance, both in the short and long term, and to recognise the values of the Exchanges;
- attract and retain personnel, and motivate them to achieve organisational goals with integrity fairness and ethical behaviour.
- balance the mix of Fixed Compensation and Variable Compensation to appropriately reflect the value and responsibility of the role performed day to day and to influence appropriate behaviors and actions.
- promote, effective risk management practice and compliance.
- foster teamwork and collaboration.
- take into account the long-term performance of the Exchange, in order to create sustainable value for the shareholders.

III. <u>Definitions</u>

- 1. "The Company" means Metropolitan Stock Exchange of India Limited.
- 2. "Board" means Board of Directors of the Company.
- 3. "Committee" means Nomination cum Remuneration and Compensation Committee of the Company as constituted or re-constituted by the Board, from time to time.
- 4. "Key Managerial Personnel" (KMP) means
 - Chief Executive Officer or the Managing Director or the Manager;
 - Company Secretary;
 - Whole-Time Director;
 - · Chief Financial Officer; and
 - Other officers as prescribed by SECC Regulations.

"Senior Management Personnel" (SMP)

SMP means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

IV. Appointment and removal of Director, KMP and SMP

- The Committee shall identify, ascertain the integrity, qualification, expertise, experience of a person and recommend to the Board for his / her nomination to SEBI as a Public Interest Director.
- The Committee shall identify, ascertain the integrity, qualification, expertise, experience of a person and recommend to the Board for his / her / appointment as a KMP/SMP of the Company.
- The Director, KMP and SMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013 and rules made thereunder, SECC Regulations and Listing Agreement or any other enactment for the time being in force.
- The Company should ensure that the person so appointed as Director, KMP and SMP shall not be disqualified under the Companies Act, 2013 and rules made thereunder, SECC Regulations, Listing Agreement or any other enactment for the time being in force.
- The Committee may recommend to the Board for removal of a Director on account of any disqualification
 mentioned in the SECC Regulations, Companies Act, 2013, rules made thereunder or under any other
 applicable Act, rules and regulations or any other reasonable ground. The Committee may also
 recommend to the Board for removal of KMP or SMP subject to the provisions and compliance of the
 applicable Act, rules and regulations.

V. <u>Factors Determining Remuneration</u>

The Committee shall consider the following conditions, while deciding the Compensation payable to the Director / KMP / SMP / Employees:

- Financial condition / health of the Exchange including revenues, net profits and other relevant financial parameters, if any
- Average levels of compensation payable to KMP in similar ranks in the industry and industry standards
- Absence of provisions tending to incentivise taking excessive risks over the short run.
- Role and responsibilities of the Director / KMP / SMP / Employees.
- Performance of the KMP.
- Necessity to differentiate and reward excellent performance, both in the short and long term.
- Attract and retain KMP / SMP / Employees and motivate them to achieve results with integrity and fairness
- Encourage teamwork and collaboration across the KMP / SMP / Employees.
- Foster growth for them in the Exchange.
- Curb excessive risk taking and shot term profit oriented behaviour through Malus and Clawbacks clauses.
- Provides equal opportunity to all.
- Adherence to the norms stipulated by SEBI and other regulators.

VI. Compensation Structure

The Board of Directors of the Company shall decide the remuneration of Executive / Non-Executive Directors, KMP and SMP on the basis of recommendation of the Committee subject to the overall limits provided under the Companies Act, 2013 and rules made thereunder, including any amendments, modifications and re-enactments thereto and in compliance with the provisions of the Act, listing agreement and SECC Regulations as applicable from time to time.

A. DIRECTORS

i. Executive Directors:

The compensation and the terms and conditions of the Executive Directors shall be approved by the Committee/Board and placed before SEBI for approval. Once approved the same is then placed before the shareholders for approval. The Terms and conditions of the compensation of the Managing Director shall not be changed without prior approval of the Remuneration Committee/Board and SEBI.

1. Fixed/ Basic Compensation

Fixed compensation, which is most commonly paid in the form of base salary, is based on the role and experience of the individual, his or her individual sustained long-term performance, and market positioning. Base salary is set at levels designed to retain Executive Director throughout business cycles.

2. Variable Compensation

The level of variable compensation granted, referred to as a discretionary variable incentive which is factored in the Compensation of the Executive Director, is placed before SEBI for approval. Once approved the same is then placed before the shareholders for approval and may be zero in cases as deemed fit by SEBI. The variable pay shall not exceed one-third of total pay.

3. Deferred Compensation

50% of variable compensation is deferred to reflect the nature of the Exchanges business, its risk profile, and the desire to have compensation plans that are based on sustainable performance criteria, which are enlisted in the KMP's KPC (Key Performance Criteria) /KRA (Key Result Area). Deferred compensation is subject to vesting period of three years.

ii. NON EXECUTIVE DIRECTORS:

The Company shall issue a letter of appointment to every Non-Executive Independent Director / Public Interest Director / Shareholder Director.

The Non-Executive Directors would be paid for Board Meetings and any Committee Meetings attended by the Director. Different amount of sitting fees may be paid for different types of meetings within limits as prescribed under the Act.

B. KEY MANAGERIAL PERSONNEL

The remuneration components payable to KMP may be:

1. Fixed/ Basic Compensation

Fixed compensation, which is most commonly paid in the form of base salary, is based on the role and experience of the individual, his or her individual sustained long-term performance, and market positioning. Base salary is set at levels designed to retain KMP throughout business cycles.

2. Variable Compensation

The level of variable compensation granted, referred to as a discretionary variable incentive which is factored in the Compensation of the KMP, is entirely at the discretion of the Compensation Committee/Board, and may be zero in cases as deemed fit by the Compensation Committee/Board. The Compensation Committee/Board makes decisions on variable compensation based on absolute and relative performance of

the Exchange and its Divisions, as well as pre-agreed individual performance objectives of KMP's, market positioning, and a variety of other factors. The variable pay shall not exceed one-third of total pay.

3. <u>Deferred Compensation</u>

50% of variable compensation is deferred to reflect the nature of the Exchanges business, its risk profile, and the desire to have compensation plans that are based on sustainable performance criteria, which are enlisted in the KMP's KPC (Key Performance Criteria) /KRA (Key Result Area). Deferred compensation is subject to vesting period of three years.

4. Prohibition on ESOPs and Equity Linked Instruments

ESOPs and Equity Linked Instruments shall not be issued as part of compensation of KMPs from the effective date of this Policy. The ESOPs that have already been granted to KMPs before coming into effect of the SEBI Circular CIR/MRD/DSA/33/2012 dated December 13, 2012 shall not be exercised by the respective KMPs in contravention of the regulations/guidelines issued by SEBI from time to time.

C. SENIOR MANAGEMENT PERSONNEL & EMPLOYEES

Remuneration to senior management and employees comprises of fixed component only. The same is reviewed annually based on the performance appraisal ratings.

VII. Malus and Clawback Arrangement

The compensation arrangement shall contain a general provision of Malus and Clawback that enables the Exchange to cancel outstanding Deferred compensation or a part of the Total Compensation if the employees engages in activities that results in, or have the potential to result in, material harm financial, reputational, or any other cause which may be detrimental of the interests to the Exchange.

Malus and Clawback are defined in SEBI circular CIR/MRD/DSA/33/2012 dated December 13, 2012, as follows:

- 1. A Malus arrangement permits the Exchange to prevent vesting of all or part of the amount of a deferred remuneration.
- 2. A Clawback is a contractual agreement between the employee and the Exchange in which the employee agrees to return previously paid or vested remuneration to the Exchange under certain circumstances.

As defined above, Malus shall be only applicable to all or part of the deferred and as yet unvested Compensation if any and Clawback shall be applicable to the previously paid or vested compensation. The Compensation Committee or the Board shall on occurrence of the following events attributable directly or indirectly to the particular KMP, either singly or jointly with other persons, initiate action/recoveries/prevent vesting under the Malus and Clawback clauses:

- a) Fraud
- b) Gross negligence which has caused or may cause significant financial losses or reputational harm to the Exchange
- Misfeasance and nonfeasance which has caused or may cause significant financial losses or reputational harm to the Exchange
- d) Any act amounting to Criminal Breach of Trust
- e) Conviction for an offence involving moral turpitude
- f) Fraudulent Financial reporting
- g) Ethical Misconduct
- h) Overstating/misstating financial indicators or other performance criteria either at the company level or individual level with a view to get an increased variable pay
- i) Breach of confidentiality or trade secrets

Clawback shall be applicable to the complete variable compensation which is vested in the previous year and in case there is no variable component in the compensation of particular KMP, it would be applicable upto 10% of the fixed compensation drawn in the previous year. All recoveries or compensation returned by the KMP's under Clawback, would be net-off of taxes and levies in that respective year(s).

In case of separation or resignation or termination of the service of the employee for any reason other than misconduct, the deferred variable component shall remain with the Exchange for the remaining period and shall be paid after the completion of vesting period as specified in the Compensation Policy.

In case of death of the Employee, the deferred compensation shall be payable to legal heirs or successors of the Employee after the completion of the vesting period, subject to the legal heirs or successors of the Employee producing all such documents as may be required by the Exchange to prove the succession to the assets of the deceased employee

In case of the retirement or termination of service of the employee due to early retirement pursuant to scheme of voluntary retirement as formulated by the Exchange, if any, the deferred compensation shall be payable after completion of the vesting period as specified in the Compensation Policy.

VIII. <u>Equal Compensation Opportunity</u>

The Exchange does not tolerate any form of discrimination, in particular discrimination based on ethnicity, nationality, gender, identity, religion, age, marital or family status, pregnancy, disability or any other status that is protected by law of the country and the Constitution of India. The Exchange encourages a safe and healthy work environment, free from discrimination, harassment and retaliation. All employment-related decisions, including decisions on compensation, are based on an individual's qualifications, performance and behaviour, or other legitimate business considerations. Legitimate business considerations may include (though need not be restricted to) the profitability of the Exchange, the division and department of the individual, industry practice, the strategic needs of the Exchange as well as any other considerations that the Exchange deems legitimate to its business interests.

IX. Board diversity

The Board shall have an optimum composition of Directors by ensuring experts from different fields viz. finance, law, management, sales, marketing, engineering, research, technical operations or any other areas related to the Company's business. There will be a balance of skills & experience to steer the Company towards achievement of its short term and long term objectives.

X. Evaluation

The Performance evaluation is to be conducted as per the provision of the Companies Act, 2013 and Listing Agreement. The Committee shall carry out evaluation of performance on a yearly basis.

The Committee shall monitor and review board evaluation framework, conduct an assessment of the performance of the Board against criteria as determined and approved by the Committee.

The performance evaluation of Independent Directors shall be done by entire Board of Directors, excluding the director being evaluated and evaluation of the board as a whole shall be done by the Independent Directors.

XI. <u>Amendment</u>

Based on the recommendation of the Committee, the Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate, in accordance with any amendment to the applicable provisions of Companies Act, 2013, including rules thereof and / or the provisions of the Listing Agreement.

ANNEXURE V

Date: 29th August, 2015

To,

The Members,
METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED
(FORMERLY MCX STOCK EXCHANGE LIMITED)
Mumbai

Our report of even date is to be read along with this letter.

- 1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- 5. The compliance of provisions of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Jayshree Dagli & Associates Company Secretaries

Sd/-Jayshree S. Joshi FCS 1451 CP 487

PS: Attached hereto is our Secretarial Audit Report (Form No. MR-3) of Even Date.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED
(FORMERLY MCX STOCK EXCHANGE LIMITED)
Mumbai

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED (FORMERLY MCX STOCK EXCHANGE LIMITED)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- A. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED** ("the Company") for the financial year ended 31st March, 2015, according to the provisions of:
- 1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- 2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- 3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4. The Companies Act, 1956 and the rules made there under to the extent applicable.
- 5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)
 Regulations, 1993 regarding the Companies Act and dealing with client;
 - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- 6. We are given to understand that based on the nature of the business activities of the Company, the following specific regulations/laws are applicable to the Company:

- (a) The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012:
- (b) Comprehensive Guidelines for Investor Protection Fund (IPF) / Customer Protection Fund (CPF) at Stock Exchanges.
- (c) SEBI Master Circular on Administration of Stock Exchanges dated December 31, 2010.

B. We have also examined the compliance with the applicable clauses of the following:

1. Secretarial Standards being effective from 1st July, 2015, and hence compliance thereof is not to be considered /not required to be certified.

During the period under review, the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the **Critical Comments** as contained in the Annexure hereto marked as **Annexure - 1**.

During the period under review, the provisions of following Acts / Regulations were not applicable to the Company:

- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made there under;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations 1998;
- (d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

We further report that -

The Board of Directors of the Company is not duly constituted with proper balance of Public Interest Directors, Managing Director and Shareholders' Directors. (Please refer to Point **No. 1 of Annexure - 1** hereto). There were no changes in the composition of the Board of Directors that took place during the year under review.

Adequate notice had been given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and that a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Unanimous decisions were carried through as there was no case of dissent of any Director in respect of any decision and was accordingly captured and recorded as part of the minutes.

We further report that -

There are adequate systems and processes in place in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following specific event(s) / action(s) having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Allotment of 1,36,98,376 Equity Shares of Re.1/- each on Rights basis at a premium of Rs.4/- per Share on 30/06/2014.

ANNUAL REPORT 2014-15

- 2. Conversion of 38,48,00,000 warrants into 38,48,00,000 Equity Shares of Re.1/- each on 09/12/2014.
- 3. Conversion of 2,60,46,514 warrants into 2,60,46,514 Equity Shares of Re.1/- each on 13/01/2015.
- 4. Conversion of 1,43,60,000 warrants into 1,43,60,000 Equity Shares of Re.1/- each on 13/03/2015
- 5. Conversion of 17,98,22,755 warrants into 17,98,22,755 Equity Shares of Re.1/- each on 27/03/2015.
- 6. Extinguishment of 56,24,60,000 warrants held by Financial Technologies India Limited decided by the Board on 14/08/2014 as Financial Technologies India Limited was declared as 'Not Fit and Proper Person' by the SEBI.
- 7. Reversal of extinguishment of 56,24,60,000 warrants extinguished as above, vide the Special Resolution passed by the Shareholders on 27/03/2015.

For Jayshree Dagli & Associates Company Secretaries

Sd/-Jayshree S. Joshi FCS 1451 CP 487

Place : Mumbai Date: August 29, 2015

Encl: Critical Comments - 'Annexure -1'

ANNEXURE -1

Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited)

SECRETARIAL AUDIT REPORT: 2014-15

Critical Comments of the Secretarial Auditors

- (1) The entire Board of Directors of the Company was consisting of Directors not liable to Retire by rotation., i.e. there was no Director on the Board liable to Retire by rotation in the category of Shareholders' Director. Accordingly, the Company has defaulted in complying with the Provisions of Section 152 of the Companies Act, 2013.
- (2) According to the Annexure –A of Securities Contracts (Regulation) {Stock Exchanges & Clearing Corporations} (SECC) Regulations, 2012, the Ethics Committee as well as Sub Committee for Monitoring Compliance of Suggestions given in SEBI Inspection Report should include Shareholders' Director. As there was no Shareholders' Director appointed, the Company defaulted in complying with the said Regulation.
- (3) As required by Section 175 (2) of the Companies Act, 2013, the Circular Resolutions passed by the Board or the Committee(s) thereof, should form part of the respective Minutes of the Meetings of the Board or Committee(s) thereof, as the case may be, where the same are noted. However, the Circular Resolutions passed by the Board or the Committee(s) thereof were not recorded in Minutes of the respective Meetings so as to form part thereof. Accordingly, the Company has defaulted in complying with the said provisions
- (4) As required by Section 118 of the Companies Act,2013 read with Rule 25 (1)(b)(i) of the Companies (Management & Administration) Rules, 2014, Minutes of the Meetings of the Board as well as Committees thereof and that of General Meetings should be recorded in the Minutes Books within 30 days of the Meeting. As the date of recording of the Minutes is not mentioned in any of the Meetings, it could not be ascertained whether the Company has complied with the Provisions of Section 118 of the Companies Act,2013 read with Rule 25 (1)(b)(i) of the Companies (Management & Administration) rules, 2014
- (5) During the year under Audit, disclosure of interest by Directors pursuant to Section 184 of the Companies Act, 2013 was made at the Second Meeting of the Board and not at the First Meeting of the Board as required. Further, with respect to disclosure of interest by Director at one of the Board Meetings, required particulars like name of the Director, nature of disclosure etc. were not mentioned.
- (6) During the year under Audit, the Company has allotted 61,87,27,645 Equity Shares of Re.1/- each as follows: 1,36,98,376 Equity Shares @ Rs.5/- per Share (inclusive of Premium of Rs. 4/= per share) on Rights basis; and 60,50,29,269 Equity Shares @ Re.1/- per Share on Conversion of Warrants into Equity Shares..

As per the Bombay Stamp Act, 1958, Stamp Duty is payable on the respective Share Certificates @0.1% of the value of the shares. Accordingly, the stamp duty on Share Certificates on Rights Issue shares amounted to Rs.68,492/- and the Stamp Duty on Share Certificates for Shares issued on Conversion of Warrants amounted to Rs.6,05,029/- However, the Company has paid stamp duty of Rs.125/- on a Single Share Certificate bearing No.59 for 25,000 Equity Shares only. In other words no stamp duty was paid for the certificates for remaining Shares.

- (7) The NRC, Board of Directors, SEBI and the Shareholders have approved the remuneration of Rs.1.75 Crore p.a. of the Managing Director. However, it is observed from the records of the Company that the MD was paid remuneration of Rs.1.81 Crore p.a. i.e. Rs.6.00 lacs in excess of the remuneration approved.
- (8) With respect to ESOP, the issuance of Shares was kept in abeyance due to impending Rights Issue. This was decided by the Board without any approval from the shareholders. As per the Scheme approved by the Shareholders the shares should be issued within two months of exercise of option. Accordingly, keeping of issuance of shares in abeyance due to impending Rights Issue was not in conformity with the said Scheme. Further, the exercise period was mentioned as 5 years at one place and 3 years at other place in the said Scheme.
- (9) ESOP Scheme is yet to be aligned in accordance with the new SEBI Regulations.
- (10) Instances of violation of holding period, pre-clearance etc., by Employees were noticed. In all instances of violation, caution letters were issued.

For Jayshree Dagli & Associates

Sd/-Jayshree S. Joshi FCS 1451; CP 487

ANNEXURE VI

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

CIN	U65999MH2008PLC185856		
Registration Date	August 14, 2008		
Name of the Company	Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited)		
Category / Sub-Category of the Company	Public Company / Limited by shares		
Address of the Registered office and contact details	4 th Floor, Vibgyor Tower, C62, Bandra Kurla Complex, Bandra (East), Mumbai- 400098. Tel No: 022 61129000 Email Id: secretarial @msei.in		
Whether listed company Yes / No	No		
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: +91 40 67161700, Toll Free No:1800 425 8998 Fax: +91 40 23114087		

II. Principal business activities of the company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Exchange Operation	67110	100%

III. Particulars of holding, subsidiary and associate companies as on March 31, 2015:

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held
1	Metropolitan Clearing Corporation of India Limited (Formerly known as MCX SX Clearing Corporation Limited)	U67120MH2008PLC188032	Subsidiary	51%
2	MCX SX KYC Registration Agency Limited	U65923MH2012PLC227604	Subsidiary	100%

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity) March 31, 2015

i. Category-wise Share Holding

Catacomical			d at the beginn pril 01, 2014)	ing			neld at the end larch 31, 2015		% Change
Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding	g					1	ı		
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	483540000	-	483540000	88.77	518736131	-	518736131	44.59	7.27%
c) Central Govt	-	-	-	-	-	-	-	-	_
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	_
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
Funds i)Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	483540000	-	483540000	88.77	518736131	-	518736131	44.59	7.27%

ANNUAL REPORT 2014-15

2. Non- Institutions									
a) Bodies Corp									
i) Indian	54330000	-	54330000	9.97	253151514	-	253151514	21.76	365.92%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual share- holders holding nominal share capital upto Rs. 1 lakh	264000	-	264000	0.05	583833	-	583833	0.05	121.14%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	375000	-	375000	0.07	271045000	-	271045000	23.30	72178.67%
c) Others (specify)									
Trust	6176400	-	6176400	1.13	5856567	-	5856567	0.50	(5.18%)
HUF	-	-	-	-	57020000	-	57020000	4.90	100%
Partnership firm	-	-	-	-	57020000	-	57020000	4.90	100%
Sub-total (B)(2):-	61145400	-	61145400	11.23	644676914	-	644676914	55.41	954.33%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	544685400	-	544685400	100	1163413045	-	1163413045	100	113.59%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	544685400	-	544685400	100	1163413045	-	1163413045	100	113.59%

During the year 2014-15, there have been a lot of changes in the capital structure of the Company. The same is explained under separate heading "Changes in the Capital Structure" in Directors Report.

- **ii. Shareholding of Promoters-** The shareholding of the Company is held by the Public shareholders and there is no Promoter. Hence, this disclosure is not applicable.
- **iii. Change in Promoters' Shareholding-** The shareholding of the Company is held by the Public shareholders and there is no Promoter. Hence, this disclosure is not applicable.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

	and ADRs)	:		I	1	I.		
		Shareholdii	ng		Increase/Decr		Cumula Shareholdin the year (A 2014 to Ma 2015	g during April 01, arch 31,
Sr. No	Name	No. of Shares at the beginning (April 01, 2014)/ end of the year (March 31, 2015)	% of total share s of the Com pany	Date	ease in shareholding	Reason	No. of Shares	% of total shares of the Comp any
1	IFCI Limited	71875000	13.20	01/04/2014	-	Nil		
		71875000	6.18	31/03/2015	-	Movement during the year	71875000	6.18
2	Union Bank of	62500000	11.47	01/04/2014		, , , , , , , , , , , , , , , , , , ,		
	India			30/06/2014	10000000	Rights Issue	72500000	6.23
		72500000	6.23	31/03/2015			72500000	6.23
3	Punjab	50000000	9.18	01/04/2014	-	Nil		
	National Bank	50000000	4.30	31/03/2015	-	Movement during the year	50000000	4.30
4	Multi	27165000	4.99	01/04/2014		,		
	Commodity Exchange of India Ltd*			13/01/2015	21046514	Exercise of warrants into Equity Shares	48211514	4.14
		48211514	4.14	31/03/2015			48211514	4.14
5	Financial	27165000	4.99	01/04/2014				
	Technologies (India)			11/12/2014	27165000	Transferred	-	-
	Limited*	-	-	31/03/2015			-	-
6	IL&FS	27165000	4.99	01/04/2014				
	Financial Services			30/06/2014	7,54,188	Rights issue	27919188	5.00
	Limited*			27/03/2015	2,15,22,755	Exercise of warrants transferred from MCX into Equity shares	49441943	4.25
		49441943	4.25	31/03/2015			49441943	4.25
7	Corporation Bank*	25000000	4.59	01/04/2014	-	Nil		
	Dalik	25000000	2.15	31/03/2015	-	Movement during the year	25000000	2.15
8	Indian	25000000	4.59	01/04/2014	-	Nil		
	Overseas Bank*	25000000	2.15	31/03/2015	-	Movement during the year	25000000	2.15
9	Indian Bank*	25000000	4.59	01/04/2014	-	Nil		
		25000000	2.15	31/03/2015	-	Movement during the year	25000000	2.15
10	Oriental Bank	25000000	4.59	01/04/2014	-	Nil		
	of Commerce*	25000000	2.15	31/03/2015	-	Movement during the year	25000000	2.15
11	Allahabad	25000000	4.59	01/04/2014	-	Nil		
	Bank*	25000000	2.15	31/03/2015	-	Movement during the year	25000000	2.15
12	Andhra Bank*	25000000	4.59	01/04/2014	-	Nil		
		25000000	2.15	31/03/2015	-	Movement during the year	25000000	2.15
13	Bank of India*	25000000	4.59	01/04/2014	-	Nil		

		25000000	2.15	31/03/2015	-	Movement during the year	25000000	2.15
14	Bank of Baroda*	25000000	4.59	01/04/2014	-			
	Baroua			30/06/2014	2919188	Rights Issue	27919188	5.00
		27919188	2.40	31/03/2015			27919188	2.40
15	Rakesh Jhunjhunwala	-	-	01/04/2014				
	#			09/12/2014	19700000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	19700000	2.08
				11/12/2014	27165000	Acquired from Financial Technologies (India) Limited	46865000	4.97
				13/03/2015	2260000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	49125000	4.99
				27/03/2015	7900000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	57025000	4.90
		57025000	4.90	31/03/2015			57025000	4.90
16	Viral A.	-	-	01/04/2014				
	Parikh#			09/12/2014	46700000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	46700000	4.95
				13/03/2015	2420000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	49120000	4.99
				27/03/2015	7900000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	57020000	4.90
		57020000	4.90	31/03/2015			57020000	4.90
17	Nemish S. Shah as karta	-	-	01/04/2014				
	of Nemish S. Shah H.U.F. #			09/12/2014	46700000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	46700000	4.95
				13/03/2015	2420000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity	49120000	4.99

						shares		
				27/03/2015	7900000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	57020000	4.90
		57020000	4.90	31/03/2015			57020000	4.90
18	Edelweiss	-	-	01/04/2014				
Commodities Services Limited#	Services			09/12/2014	46700000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	46700000	4.95
				13/03/2015	2420000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	49120000	4.99
				27/03/2015	7900000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	57020000	4.90
		57020000	4.90	31/03/2015			57020000	4.90
19	Trust Investment	-	-	01/04/2014				
	Advisors Private Limited#			09/12/2014	46700000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	46700000	4.95
				13/03/2015	2420000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	49120000	4.99
				27/03/2015	7900000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	57020000	4.90
		57020000	4.90	31/03/2015			57020000	4.90
20	Derive Investments#	-	-	01/04/2014				
	estinettes			09/12/2014	46700000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	46700000	4.95
				13/03/2015	2420000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	49120000	4.99

				27/03/2015	7900000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	57020000	4.90
		57020000	4.90	31/03/2015			57020000	4.90
21	Aadi Financial Advisors LLP#	-	-	01/04/2014				
	AUVISOIS LLF#			27/03/2015	57000000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	57000000	4.90
		57000000	4.90	31/03/2015			57000000	4.90
22	Uday Shah#	-	-	01/04/2014				
				09/12/2014	26500000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	26500000	2.81
				13/01/2015	5000000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	31500000	3.32
				27/03/2015	20000000	Exercise of warrants transferred from Financial Technologies (India) Limited into Equity shares	51500000	4.43

^{*} Ceased to be in the list of Top 10 shareholders as on 31-03-2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01-04-2014

Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31-03-2015.

- v. Shareholding of Directors and Key Managerial Personnel: During the year, none of the directors and/or Key Managerial Personnel held any shares in the Company. Hence, the disclosure is not applicable.
- vi. Indebtedness- Indebtedness of the Company including interest outstanding/accrued but not due for payment- Nil

vii. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Cu no	Particulars of Remuneration	Name of MD/WTD/ Manager
Sr. no.	Particulars of Remuneration	Mr. Saurabh Sarkar
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961*	1,81,58,541
1.	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil
2.	Stock Option	Nil

3.	Sweat Equity	Nil
4.	Commission - as % of profit - Others, specify	Nil
5.	Others, please specify	Nil
	Total (A)	1,81,58,541
	Ceiling as per the Act	As per Rule 7(2) of the Companies (Appointment and Remuneration), Rules, 2014, the companies other than listed companies and subsidiary of a listed company may without Central Government approval pay remuneration to its managerial personnel, in the event of no profit or inadequate profit beyond ceiling specified in Section II, Part II of Schedule V, subject to complying with the conditions as prescribed in the rules.

^{*}includes Rs. 19,16,667/- paid to buyout the notice period from the previous employer of Mr. Saurabh Sarkar as decided by the Board. Being a payment required to be made to his earlier employer to facilitate his early relieving and early joining in the Company, this payment was not in the nature of remuneration. However, it was erroneously shown under the head remuneration in the notes to accounts of the Company instead of recruitment cost.

B. Remuneration to other directors:

Sr. no.	Particulars of Remuneration	r	lame of Directors	5	Total	
31.110.	ranticulais of Remuneration	Thomas Mathew	Ashima Goyal	Desh Raj Dogra	Amount	
1	3. Independent DirectorsFee for attending board committee meetings	10,87,000	7,20,000	7,27,000		
	Commission	Nil	Nil	Nil		
	Others, please specify	Nil	Nil	Nil		
	Total (1)	10,87,000	7,20,000	7,27,000	25,34,000	
2	Other Non-Executive Directors Fee for attending board committee meetings		Arri	Nil		
	Commission	- Nil	Nil		Nil	
	Others, please specify					
	Total (2)	10,87,000	7,20,000	7,27,000	25,34,000	
	Total (B)=(1+2)	10,87,000	7,20,000	7,27,000	25,34,000	
	Overall Ceiling as per the Act	Sitting fees not exceeding Rs. 1,00,000 per meeting of the Board and Committee meetings in terms of Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014.				

C. Remuneration to key managerial personnel other than MD/Manager/WTD

			Key Ma	nagerial Perso	nnel
Sr. no.	Particulars of Remuneration	CEO	Company Secretary**	CFO***	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	41,40,460	16,95,344	58,35,804
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - Others, specify	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	41,40,460	16,95,344	58,35,804

^{*} Note: SEBI vide its circular dated December 13, 2012 has prohibited ESOPs to form part of compensation of Key Management Personnel (KMP). Pursuant to said circular, the concerned Senior Managerial Personnel and KMPs have undertaken not to exercise the vested options which were granted/vested to them before the notification of the aforesaid SEBI circular, in contravention of the SECC Regulations and circulars or instruction issued thereunder from time to time.

viii. Penalties / Punishment/ Compounding of offences - None

^{**} Resigned w.e.f. January 21, 2015

^{***} Resigned w.e.f July 20, 2015

ANNEXURE VII

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2014-15, and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 are as under:

Sr. No	Name of Director/KMP and Designation	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees	
1	Thomas Mathew T. Chairman and Public Interest Director	6.36%	1.16:1	
2	Ashima Goyal Vice Chairman and Public Interest Director	(36.05%)	0.77:1	
3	Desh Raj Dogra Public Interest Director	(1.08%)		
4	Saurabh Sarkar Managing Director & CEO	Nil	18.80:1	
5	Sarat S Chandran* Head- Legal and Company Secretary	Nil	Not Applicable	
6	Vikas Phadke** Chief Financial Officer	Nil	Not Applicable	

^{*} Resigned w.e.f. January 21, 2015.

- ii. There is no increase in the median remuneration of employees as compared with previous year.
- iii. There were 162 permanent employees on the rolls of Company as on March 31, 2015;
- iv. Relationship between average increase in remuneration and company performance: There has been reduction in the remuneration as compared with the previous year.
- v. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company: The total remuneration of Key Managerial Personnel (as per Companies Act 2013 and SECC Regulations) declined by (24.21%) from Rs. 7.52 crore in 2013-14 to Rs. 5.71 crore in 2014-15. The Net Loss decreased by 61.09% from Rs.154.53 crore in 2013-14 to Rs. 60.12 crore in 2014-15.
- vi. There is no increase made in the salaries of employees in the last financial year i.e. 2014-15 as compared with previous quarters. Due to reduction in the number of employees, there has been decrease in the total remuneration paid. Further, for the same reason there is reduction in the managerial remuneration for the same financial year.
- vii. The key parameters for the variable component of remuneration availed by the directors are as per the Compensation policy of the Company which is framed as per the SECC Regulations and which is considered by the Board of Directors based on the recommendations of the Human Resources, Nomination and Remuneration Committee.
- viii. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year Not Applicable; and
- ix. It is hereby affirmed that the remuneration paid is as per the Compensation Policy for Directors and Key Managerial Personnel.

^{**} Appointed w.e.f. October 07, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMIC SCENARIO

Global economic growth has been subdued due to the ongoing bailout crisis of Greece (and its consequent dampening effect on the Eurozone capital markets) and the slowdown of Chinese growth. Both of these crises have their genesis in unsustainable debt burdens in public organizations and bodies. Furthermore, the markets have been concerned that the rate of US growth would lead to earlier than hoped for rate rises. Since US growth has happened in the face of global stagnation the fear remains that any rate hikes would derail global recovery despite historically low rates and unprecedented high liquidity.

Growth in the Indian economy grew upto 7.3% for the 2014-15 fiscal year. Although this represents a significant leap over previous year figures the caveat is that this was using a changed methodology of calculation, the introduction of market price valuation as opposed to the earlier factor cost methodology. Although this practice aligns us with global practices it has thrown up a certain amount of confusion about the actual pace of underlying growth in the economy.

Indicators are showing mixed results. Whilst- on the positive side, we see a moderating level of inflation due to a combination of lower MSP rate hikes for agricultural produce and dramatically lower oil prices; lower interest rates, a fall in the fiscal and current account deficits we are yet to see a revival in industrial growth numbers or strong data from the rural segment.

Anecdotal evidence suggests that recent front-loading of expenditure by the government and a fall in the number of large projects held up for want of bureaucratic clearances should lead to a revival of the capital expenditure cycle in the near future. Developments are awaited.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The legacy of high NPAs for banks seems to be continuing with no clear 'peak' point as yet. There is a clamour for lower interest rates in order to ease the pressure on both industry and banks (who have the additional concern of higher capitalization requirements) but opinion seems divided on the likely timing and depth of the cuts the RBI will undertake. This is impacting financial sector growth as more banks and corporates adopt a more conservative outlook to growth and expansion.

Indian equity markets were positive for the majority of FY 2014-15 with the benchmark BSE touching the great psychological 30,000 level briefly. However, the capital markets have led to a volatile period subsequently with the market largely range-bound and prone to external shocks which have impacted sentiment.

Interest Rate Futures have begun to increase in volumes on the exchanges with an increasing number of institutions participating in the product and the product finding increased favour amongst asset-class traders looking to take advantage of a possible drop in interest rates.

Coming specifically to the Exchange traded currency derivatives sector: The market remains fairly stable in size given the lower trading opportunities in a reduced volatility environment. Overall volumes have fluctuated around the Rs. 17,000 crores a day mean over the last year with very limited variation. The currency has ranged between 60.00 and 64.25 (a 7% band) over the last 12 months with intermittent spurts of sharp movements breaking up long periods of stability. A recent relaxation by SEBI has allowed an increase in limits without establishing the existence of any underlying exposure from USD 10 million to USD 15 million per exchange.

This limit applies to both Domestic and FPI categories. Limits for banks remain unchanged at USD 100 million or 15% of Open Interest- whichever being the higher.

OPPORTUNITIES AND THREATS

Your Company sees the yet to be tapped potential of the Indian securities market as a major opportunity. It believes that it would be able to expand into new markets in untouched geographical areas and social sectors through its program of financial inclusion through financial literacy. There is also a big potential for underdeveloped markets such as those for debt securities and securities of SMEs to pick up in India and your Company sees these areas also as a big opportunity. Being a new generation Exchange, your Company is uniquely positioned to bring innovation in its services to utilize these opportunities. Your Company is one of the three stock exchanges in India to have all trading segments with nationwide electronic connectivity and also one of the three stock exchanges to have its own clearing corporation.

The competitive structure of Stock Exchange industry in India presents a challenge to the business of the Company. The dominant player which has a near monopoly position presently has unmatched liquidity in its Capital Market and Futures & Options platforms. Consequently, consumer dependency on the dominant competitor is very high. The other competitor is currently offering a near-zero pricing program coupled with various free offerings in the Currency Derivatives Segment, which poses a risk for the earning potential of the Company. The Company is looking forward for effective steps by Regulators discouraging such practices.

Our recent success in raising the funds to meet in a timely manner the staggered regulatory capital required of us has given us some comfort in confronting for raising of capital.

SEGMENT WISE PERFORMANCE

The Exchange currently operates four trading platforms which may be considered as different lines of business within the same business segment. Accordingly, the Exchange has only one reportable segment within the meaning of "Accounting Standard 17 – Segment Reporting".

1. Currency Derivatives Segment

Currency Derivatives – Average Daily						
Financial Year	ADV Volume (in lots)	ADV Turnover (Rs. in Cr)				
2013-14	1,633,544	9,928				
2014-15	433,060	2,731				

Currency Derivatives - Segment Volume Trend (Currency Lots)				
FY	USD	EUR	GBP	YEN
2013-14	369,654,535	12,192,225	9,173,707	7,564,423
2014-15	94,332,470	3,281,705	3,845,132	1,609,036

	Currency Derivatives Segment Turnover Trend (Rs. In Cr)				
FY	USD	EUR	GBP	YEN	
2013-14	2,190,560	98,238	88,577	45,035	
2014-15	576,716	25,875	38,259	9,076	

2. Capital Market Segment

The Company commenced trading in Capital Market from February 11, 2013 onwards. 14 securities were traded on MSEI platform during the FY 2014-15. Total volume i.e. traded quantity on MSEI platform in the Capital Market Segment was 5387 and the total value traded being Rs. 0.4042 crore for FY 2014-15.

3. Futures & Options Segment

MSEI commenced trading in F&O Segment from February 11, 2013. 4 stocks being traded in the Futures & Options segment during the FY 2014-15. Total volume (in terms of number of contracts) traded on Futures & Options was 2809 and total value of derivative contracts traded was Rs. 95.04 crore for FY 2014-15.

4. Companies Listed on the Exchange

During the financial year, the Exchange has been aggressively listing new companies on its equity platform. The Count of the total listed companies increased from 10 companies in FY 2013-14 to 82 companies in FY 2014-15. These include existing listed companies listed on other nationwide stock exchanges as well as regional stock exchanges. Out of the 82 listed companies there are 70 companies which are exclusively listed on MSEI. The Exchange has attracted these companies by demonstrating various unique services especially designed for companies and reasonable fees structure.

Outlook

Your company has a new name, a new set of investors and additional capitalization. We are gearing up for a challenging year ahead with renewed vigour. The name change has allowed us to convincingly imprint on the minds of our clientele the break from the previous ownership structure. The induction of fresh capital allows us more opportunity to restart customer outreach programmes and launch new initiatives. We are currently in the process of introducing additional features in our market offerings to entice larger volume traders in the IRF segment and hope to extend this to other segments once we ascertain the success of the facility. We also expect this to be the first of many new initiatives in the future.

Risks and Concerns

Macro-economic conditions do affect the Company's operations. Low demand, economic slowdown, political instability, higher inflation, natural calamities may affect the business. Business therefore cannot be risk free. What is therefore important is to correctly assess the risk area-wise and to take steps to mitigate the risk before it becomes a potential threat. General risk areas are statutory compliances, economy, financial, changing government regulations and policies, market related, operational, products and technology, intellectual property etc.

The Exchange has implemented an Enterprise Risk Management Policy with the aid of its internal auditors, which would cover all aspects of our business. This policy would enable us to mitigate risks identified by us. The implementation and reporting of this policy is under the supervision of the Audit Committee and the Board.

Internal Control Systems and their Adequacy

The Exchange has implemented effective control systems to ensure that all its assets, interests and information are safeguarded with a proper checks and balances. The Exchange has appointed Internal Auditors and System Auditors to ensure that the financial transactions, operational mechanism and technological infrastructure are error free. The Statutory Auditors were appointed by the Comptroller and Auditor General of India which lends credibility to the whole process being followed at the Exchange. The Audit Committee is in overall supervision of the internal controls and reports are being made to the Board in a periodic manner.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

1. Discussion on stand-alone financial performance with respect to operational performance

Financial Highlights	2014-15 (Amount in Rs. Cr)	2013-14 (Amount in Rs. Cr)
Revenue from operations	34.34	91.83
Profit before Interest, Depreciation, Tax and Exceptional Items	(45.87)	(129.46)
Profit before tax	(60.12)	(154.53)
Cash profit/(Loss)	(45.88)	(132.36)
Net profit/(Loss)	(60.12)	(154.53)

2. Revenue and operating expenses

The Company earned total revenues of Rs. 34.34 crore as against Rs. 91.83 crore in the previous year. The decrease in revenue is mainly attributable to drop in Transaction Fees from Rs. 48.15 crore in previous year to Rs.13.73 crore in current year and drop in other income from Rs. 19.73 crore to Rs. 10.87 crore.

3. Operating profit before depreciation and amortization and exceptional items

The Company had EBITDA Loss of Rs. 45.87 crore as compared to EBITDA of Rs. 129.46 crore in the previous year.

4. Depreciation and Amortization

The depreciation and amortization charges were Rs. 14.24 crore as against Rs. 21.17 crore in the previous year.

5. Profit after tax

The loss for the year stood at Rs. 60.12 crore as compared to a loss after tax of Rs.154.53 crore in the previous year

6. Balance Sheet

As on March 31, 2015, the Company had total assets of Rs. 270.48 crore and shareholders' funds amounting to Rs.186.31 crore. The Company is debt-free as on March 31, 2015.

Material developments in Human Resources

Our headcount as at March 31, 2015 stood at 162 as against 244 as on March 31, 2014. The attrition rate stood at 53% as on March 31, 2015. We believe that the judicious induction of key new talent and management will help the company stay competitive with leaner resources.

Disclaimer on Forward Looking Statements

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include and economic conditions affecting demand and supply, government regulations and taxation, international scenario, macro-economic developments, natural calamities and so on over which the Company does not have any direct control.

CORPORATE GOVERNANCE REPORT

Metropolitan Stock Exchange of India Limited (MSEI) (the Exchange) (formerly known as MCX Stock Exchange Limited) is a public limited company, the securities of which are not listed on any stock exchange, however pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SECC Regulations 2012"), Corporate Governance norms as specified for listed companies shall mutatis mutandis apply to a recognised stock exchange.

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to follow fair, ethical and transparent governance practices of highest order so as to be a role model for all listed companies. We believe that Corporate Governance is a self-discipline code which means not only ensuring compliance with regulatory requirements but by also being responsive to our stakeholders needs.

As an integral part of its Corporate Governance philosophy, the Company is also committed to fair and equitable treatment of all its members and other participants in the Exchange systems.

Being a new generation Stock Exchange, the Company is uniquely positioned to realize the above philosophy. At Metropolitan Stock Exchange of India Limited, Corporate Governance is an ongoing process. To keep pace with an evolving global environment, the Company continuously adapts to best governance practices for carrying its business in ethical and transparent manner.

The Company always endeavors to adopt highest corporate ethical standards in all its actions thereby reinforcing that the Company's Management is the trustee of its shareholders' capital and not the owner of it.

2. Board of Directors

A. Composition:

The Exchange being a Stock Exchange is regulated by SEBI and is required to comply with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and circulars and instructions issued by SEBI from time to time ("SECC Regulations"), Securities Contracts (Regulation) Act, 1956 ("SCRA") and Securities Contracts (Regulation) Rules, 1957 ("SCRR") (collectively hereinafter referred to as "SEBI Regulations") besides the Companies Act, 2013 and the rules made thereunder ("the Act").

As on March 31, 2015, the strength of the Board of Directors is Four (4) out of which Three (3) are Independent Directors / Public Interest Directors (PIDs), and a Managing Director & CEO. The Board of Directors of the Company are renowned professional from diverse fields bringing with them wide range of skill and experience to the Board, which enhances the quality of the Board's decision making process.

After the end of the financial year, the Board vide circular resolution dated May 07, 2015 approved and recommended the name of Mr. Anand Sinha to SEBI for nomination as PID on the Board of Exchange. SEBI had vide letter dated June 19, 2015 approved the appointment of Mr. Anand Sinha as PID of the Exchange for a period of three years under provisions of SECC Regulations. In terms of clause 6.3.7 of SEBI circular dated December 13, 2012, Mr. Anand Sinha is not liable to retire by rotation. In order to comply with the provisions of the Sections 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 it is proposed to appoint him as Independent Director of the Company for his remaining period as Public Interest Directorship not liable to retire by rotation. The resolution for his appointment as Independent Director has been included in the notice convening the ensuing AGM.

Further, the Board appointed Mr. Pankaj Talwar as the shareholder director of the Company as per SECC Regulations subject to approval of shareholders and SEBI. Post approval of shareholders, the same would be sent to SEBI for his approval as shareholder of the Company. The resolution for his appointment has been included in the notice convening the ensuing AGM.

The Independent Directors have confirmed that they satisfy the criteria prescribed for an independent director as stipulated in Clause 49 II (B) of the listing agreements and the provisions of Section 149(6) of the Companies Act, 2013. None of the directors of the Company are related to each other.

The composition of the Board is in conformity with Clause 49 II (A) of the listing agreement read with Regulation 35 of the SECC Regulations.

In the operations and functioning of the Company, the Managing Director & CEO is assisted by a team of Key Management Personnels (KMPs) and other senior executives. The Chairman of the Board is a Public Interest Director.

B. Details of the Board of Directors in terms of their directorships/memberships in committees of other public companies as on March 31, 2015 are as under:

C. No.	Name of the Director	Number of Directorships*	Committees**		
Sr. No.			No. of Committees	Member	Chairperson
1	Mr. Thomas Mathew T., Chairman & Public Interest Director	2	1	-	1
2	Prof. (Mrs.) Ashima Goyal, Vice Chairperson & Public Interest Director	1	1	-	1
3	Mr. D. R Dogra, Public Interest Director	4	1	1	-
4	Mr. Saurabh Sarkar, Managing Director & CEO	2	NIL	NIL	NIL

^{*} Excludes directorship in Private Companies, Foreign Companies, Section 25 Companies and Alternate Directorships. .

Note:

- The Committee Chairmanships / Memberships are within the limits laid down in Clause 49 of the Listing Agreement.
- None of the Directors hold the office of Director in more than the permissible number of companies under the Companies Act, 2013.

C. Responsibilities:

The responsibilities of the board includes ensuring that the Company is transparent in all its dealings with its stakeholders, overseeing the effectiveness of key executives of the Company, aligning the remuneration policy with the long-term interests of the Company and its stakeholders and ensuring an orderly plan is in place for effective leadership development.

The Board's responsibility is also to oversee the Company's strategic direction, review corporate performance, assess the adequacy of risk management and mitigation measures, authorise and ensure regulatory compliance and safeguard interests of all stakeholders.

D. Role of Independent Directors/Public Interest Director:

Independent directors/Public Interest Directors play a key role in the decision-making process of the board as they approve the overall strategy of the Company and oversee the performance of management.

The independent directors bring to the Company a wide range of experience, knowledge and judgement as they draw on their varied proficiencies in economics, finance, management, accountancy, law, and corporate strategy. This wide knowledge of both, their field of expertise and boardroom practices helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its direction.

^{**} Includes only Audit Committee and Shareholders' Grievance Committee of Indian other Public Limited Companies.

The Audit Committee and the Nomination & Remuneration Committee consist entirely of independent directors/PID. The Stakeholders Relationship Committee has a majority of independent directors.

These committees function within the defined terms of reference in accordance with the Companies Act, 2013, the listing agreements and SECC Regulations as approved by the Board, from time to time.

E. Appointment of Independent Directors/Public Interest Director:

As per the SECC Regulations, the Public Interest Directors are nominated by SEBI for a period of three years not liable to retire by rotation. As per section 149 of the Companies Act, 2013 the independent directors shall be appointed for a period of 5 years and shall not be liable to retire by rotation. In view of the requirement of Regulation 23(2) of the SECC Regulations that the number of Public Interest Director shall not be less than the number of shareholder director, the same shall not be capable of being complied consistently while complying with section 149 of the Companies Act, 2013, if Independent Directors and Public Interest Directors are treated as mutually exclusive. In view to comply with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Public Interest Directors were appointed as Independent Directors for their remaining period as Public Interest Directorship not liable to retire by rotation. The terms and conditions for appointment of Independent Directors (Public Interest Directors) are hosted on the website of the Company and can be accessed at http://www.msei.in/SX-Content/common/MCX-SX-About-Us/policy/2015/August/Terms-and-Conditions-for-appointment-of-Independent-Directors-(Public-Interest-Directors-).pdf.

F. Directors' Induction / Training:

At the time of appointing a director, the director is explained in detail the compliance required by him under the Companies Act, 2013, Clause 49 of the listing agreement and SEBI SECC regulations and other relevant regulations. The Chairman and the Managing Director has one to one discussion with the newly appointed director to familiarise him with Company's operations. The details of the training/induction provided to the independent directors are posted on the website of the Company and can be accessed at http://www.msei.in/sxcontent/common/mcx-sx-about-us/policy/2015/may/familiarization-program-for-public-interest-director.pdf.

G. Separate meeting of Independent Directors:-

As per SECC Regulations, the Company has constituted a Public Interest Directors Committee wherein all the public interest directors attend every meeting of the committee. The Committee shall meet atleast once in six months, separately, if necessary, to exchange views on critical issues. Since the Company has appointed Public Interest Directors as Independent Directors, the requirement of Clause 49 II (B) (6) is complied accordingly.

H. Meetings, Attendance and agenda of the Board meetings:

As mentioned earlier, the Company is required to adhere to SEBI Regulations and the Act. All items required to be placed before the Board in compliance of SEBI Regulations, Companies Act, 2013 and Listing Agreement (to the extent applicable) are necessarily discussed at every Board meeting, as are strategic issues, issue of policy nature and issues involving the public interest. The Board also considers matters which in their discretion are necessary to be discussed at the meeting. The Board meetings are always chaired by the Chairman who is PID or in his absence, by another PID.

The Agenda papers are prepared by the Company Secretary in consultation with the Managing Director & CEO and circulated to the Board well in advance. All the agenda items are backed by necessary supporting information and documents to enable the Board to take appropriate decision. At the meetings, discussion on each matter is encouraged especially from PIDs. The Board also requests the Management to provide additional information, if required. The minutes of the meeting of the Board of Directors are circulated to all members of the Board for suggestions. The comments received from the Board members are incorporated in the minutes in consultation with the Chairman of the Board meeting. The minutes of the meeting are confirmed and signed as per the procedure laid down in the Companies Act, 2013 read with secretarial standards issued by the Institute of Companies Secretaries of India (ICSI).

During the financial year 2014-15, twelve (12) board meetings were held. The said Board meetings were held on April 10, 2014, May 6, 2014, May 26, 2014 adjourned on June 13, 2014, July 17, 2014, August 14, 2014, September 24, 2014, November 4, 2014, November 27, 2014, December 9, 2014, January 13, 2015, February 9, 2015, March 13, 2015 adjourned on March 27, 2015. The maximum time gap between two meetings did not exceed one hundred and twenty days.

The details of the Board's composition with the Directors names, their attendance at the Board meeting held during the year, the nature of their directorship, are given herein below:

Name of the Director	Nature of Directorship	Board Meetings held during the tenure	Board Meetings attended during the tenure	Last AGM Attended (Yes/No)
Mr. Thomas Mathew T.	ID / PID / Chairman	12	12	Yes
Prof. (Mrs.) Ashima Goyal	ID / PID / Vice- Chairperson	12	12	Yes
Mr. D. R Dogra*	ID / PID	12	11 ½ Present for one of the adjourned meeting.	No
Mr. Saurabh Sarkar	MD & CEO	12	12	Yes

ID – Independent Director; PID – Public Interest Director; MD&CEO – Managing Director & Chief Executive Officer;

Notes

• The Sixth Annual General Meeting of the Company was attended by Mr. Thomas Mathew T., Chairman and PID, Mr. Saurabh Sarkar, MD & CEO and Prof. (Mrs.) Ashima Goyal, Chairman of the Audit Committee.

3. Committees of the Board

The Board Committees and other Committees constituted to comply with provisions of SEBI Regulations, the Act and the Listing Agreement to the extent applicable to the Exchange:

1. Audit Committee:

The Audit Committee of the Company is constituted pursuant to Section 177 of the Companies Act, 2013 read with Regulation 35 of the SECC Regulations and Clause 49 of the Listing Agreement. The terms of reference of the Audit Committee has been revised as per new Clause 49 of the listing agreement which was approved by the Board at its meeting held on November 4, 2014. All the recommendations of the Audit Committee were considered by the Board of Directors at their meetings.

The minutes of the Audit Committee are placed before the Board. The Chairperson of the Audit Committee briefs the Board members about the significant discussions and the decisions taken at Audit Committee.

The Chairperson of the Audit Committee attended sixth annual general meeting of the Company held on September 30, 2014.

A. Terms of Reference (TOR):

The terms of reference of the Audit Committee pursuant to Section 177 (4) of the Companies Act, 2013 read with Clause 49 (III) of the Listing Agreement as stated below-

- 1. To oversee the Company's financial reporting process and the disclosure of its financial statements to ensure that the financial statement is correct, sufficient and credible;
- 2. To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- 3. To approve the payment to statutory auditors for any other services rendered by the statutory auditors.
- 4. To review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on:

^{*} Leave of absence was granted to Mr. D R Dogra, however the said meeting was adjourned to other day to complete the unfinished items wherein Mr. D R Dogra was present.

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3) (c) of the Companies Act, 2013
- b. Any changes in accounting policies and practices and reasons for the same;
- c. Major accounting entries involving estimates based on the exercise of judgment by the management;
- d. Significant adjustments made in the financial statements arising out of audit findings;
- e. Compliance with listing and other legal requirements relating to financial statements.
- f. The going concern assumption;
- g. Compliance with accounting standards;
- h. Compliance with legal requirements concerning financial statements;
- i. Disclosure of any related party transactions.
- i. Qualifications in the draft audit report
- 5. To review with the management, the quarterly financial statements before submissions to the Board;
- 6. To review with the management, the statement of uses/applications of funds raised through an issue (rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- 7. To review and monitor the auditors independence and performance and effectiveness of audit process.
- 8. To grant approval or any subsequent modification of transactions of the Company with related parties.
- 9. To scrutinise inter corporate loans and investments.
- 10. To undertake valuation of undertakings or assets of the Company wherever it is necessary.
- 11. To evaluate internal financial control and risk management systems.
- 12. To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- 13. To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of internal audit.
- 14. To discuss with internal auditors any significant findings and follow up thereon;
- 15. To review the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control system of a material nature and report to Board;
- 16. To discuss with the statutory auditors before the audit commences, about the nature and the scope of audit as well as have post-audit discussion to ascertain any area of concern;
- 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 18. To review Company's financial risk management policies.
- 19. To examine financial statement and the auditor's report thereon.
- 20. To review the functioning of the Whistle Blower mechanism
- 21. To approve the appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
- 22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition to the above, the Audit Committee shall mandatorily review the following information:

- 1. Management discussion and analysis of financial condition and results of operations;
- 2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- 3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4. Internal audit reports relating to internal control weaknesses; and
- 5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

ALSO -

- a) The Chairman of the Audit Committee shall attend the Annual General Meetings of the Company.
- b) Statutory Auditors and Internal Auditors, of the Company shall attend meetings of Audit Committee and Auditors of the Company and the Key managerial personnel shall have a right to be heard when it considers auditor's report, without right to vote, whenever called upon to do so.
- c) The recommendations of the Audit Committee on any matter relating to any financial management including audit report shall normally be binding on the Board. If any recommendation is not accepted by the Board, the reasons for the same shall be recorded in the minutes of the Board Meeting and communicated to the shareholders.
- d) Audit Committee be and is hereby authorized to investigate into any matter in relation to the terms of reference or any matter referred to it by the Board and shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

B. Composition, meetings and attendance:

During the year the Committee met five (5) times. The meetings were held on May 26, 2014, September 4, 2014, September 24, 2014, November 4, 2014, and February 9, 2015. Besides the members of the Audit Committee, Chief Financial Officer, representatives of the Statutory Auditors are permanent invitees to the Audit Committee meeting. The internal auditors are invited on case basis. The Company Secretary acts as the Secretary to the Committee.

The details of the attendance of the members of the committee are listed below:

Members	Category	Meetings held during the tenure	Meetings Attended During The Tenure
Prof. (Mrs.) Ashima Goyal (Chairperson)	ID, PID	5	5
Mr. Thomas Mathew T. (Chairman of the Board)	ID, PID	5	5
Mr. Saurabh Sarkar	MD & CEO	5	5

 $ID-Independent\ Director;\ PID-Public\ Interest\ Director;\ MD\ \&\ CEO-Managing\ Director\ \&\ Chief\ Executive\ Officer.$

The committee met on May 29, 2015 to inter alia review the audited annual financial results of the Company and the audited consolidated financial results for the year ended March 31, 2015 and recommended the same to the board for its approval.

2. Nomination and Remuneration cum Compensation Committee:

The Remuneration Committee has been constituted by the Board in accordance with the provisions of the Act and SECC Regulations read with Listing Agreement. The role of the said Committee is to determine the remuneration

payable to the senior management in an objective manner considering the various factors in the interest of the Company. The remuneration paid to the senior management is in accordance with the SECC Regulations.

The Compensation Committee of the Board is constituted in accordance with Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the SEBI Regulations. The primary role of the Committee is to administer the implementation of the ESOS Scheme of the Company including grant of options under the Scheme, identify Key Management Personnel (KMP) and determine compensation policy as well as actual compensation of KMPs.

In light of the SECC Regulations read with SEBI circular dated December 13, 2012 and the Companies Act, 1956, the TOR of both Committees were overlapping, particularly as the 'Managerial Personnel' under Schedule XIII of the Companies Act, 1956 were also KMPs in terms of SECC Regulations. Accordingly the both the Committees were merged to form a single Remuneration & Compensation (R&C) Committee 2012 and the Companies Act, 1956 vide Board resolution dated May 28, 2013.

Pursuant to Section 178 of the Companies Act, 2013 the terms of the reference was further expanded to comply with the requirement of the said section and the name of the Committee accordingly has been redesigned as Nomination and Remuneration cum Compensation Committee. The Company has formulated evaluation criteria for the directors which have been approved by the Nomination and Remuneration cum Compensation Committee.

A. Terms of Reference (TOR):

- To decide the remuneration to be paid to any member or prospective member of the Senior Management, as may be referred to it by the Board or the Management Committee of the Board, in mutual consultation with such member or prospective member and in an objective manner, having regard to the interests of the Company and of its shareholders.
- b) to formulate the compensation policy in line with the directions of SEBI;
- c) to identify the Key Management Personnel (KMPs) within the meaning of the SECC Regulations;
- d) to determine the employment terms and compensation of the KMPs as directed by SEBI;
- e) Report such activities to the Board on periodic basis.
- f) To finalize and administer the scheme in consultation with a Merchant Banker appointed by them for the purpose.
- g) To settle all questions of interpretation of said Scheme (the Committee's decision shall be final and binding on all parties concerned).
- h) To determine the detailed terms and conditions for grant of Options to each eligible employee or class of employees, including but not limited to:
- i) The eligibility criteria and the specific employees to whom the options would be granted;
- ii) The quantum of employee stock options to be granted under the Scheme per employee or class of employees and the basis of such allotment and the aggregate thereof, subject to the maximum ceiling as specified hereinabove.
- i) To devise a procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, splitting/sub-division of shares, bonus issues, merger, sale of division and others.
- j) To devise the procedure for cashless exercise of options, in accordance with applicable laws.
- k) To determine the terms and conditions of re-issue of options which have lapsed on account of non-exercise of the options vested within the specified period, or on account of non-acceptance of the options which have been granted to the employee, or on account of any other reason, in accordance with applicable laws.

- I) To formulate criteria for determining qualifications, positive attributes and independence of director
- m) To recommend to the Board policy relating to remuneration for directors, KMPs and other employees
- n) To identify person who are qualified to be become director, recommend their appointment, removal to the Board
- o) To evaluate every directors performance
- p) To perform any other function as may be delegated by the Board
- q) To devising a policy on Board diversity.

B. Composition, meetings and attendance:

The Committee met four times during the year. The meetings were held on June 26, 2014, September 24, 2014, December 9, 2014 and January 20, 2015. Mr. D. R Dogra is the Chairman of the Committee.

The details of participation of the members at the meeting of the committee were as under:

Members	Category	Meetings held during the tenure	Meetings Attended during the tenure
Mr. D. R Dogra	Chairman- ID / PID	4	4
Mr. Thomas Mathew T.	Member- ID / PID	4	4
Prof. (Mrs.) Ashima Goyal	Member- ID / PID	4	4

ID – Independent Director; PID – Public Interest Director.

C. Nomination and Remuneration Policy

The Company has formulated the nomination and remuneration policy as per SECC Regulations and the Companies Act, 2013 for the remunerating the Executive Directors, Non –Executive Directors, Senior Management Personnel, Key Managerial Personnel and the Employees. The key objective of the compensation policy is to ensure that it is aligned to the overall performance of the Company. The policy ensures that it is fair and reasonable to attract and retain necessary talent, is linked to attaining performance benchmarks and involves a judicious balance of fixed and variable components. The remuneration paid is in line with the compensation policy of the Company. The policy is annexed to the director's report.

D. Evaluation of Directors and the Board

With the objective of enhancing the effectiveness of the Board, the Nomination & Remuneration Committee formulated the methodology and criteria to evaluate the performance of the board and each director. The Nomination & Remuneration Committee at its meetings discussed and reviewed the criteria for evaluating the performance of the all the directors.

Criteria in this respect includes; (a) Board composition, size, mix of skill, experience, members' participation and role, (b) attendance, preparedness and deliberation in the meetings, (c) contribution / suggestions for effective functioning, development of strategy, board process, policies and others. The evaluation process includes review, discussion and feedback from directors in reference to set criteria and questions. The Directors are satisfied with the performance and evaluation.

E. Details of remuneration paid / payable to the Directors during the financial year ended March 31, 2015:

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees. The Company has not granted any stock options to any of its Non-Executive Directors.

The details of remuneration paid to Executive Director and remuneration paid to Non-Executive Directors for the financial year ended 31st March, 2015 are provided hereinafter:

a) Executive Directors (Mr. Saurabh Sarkar, MD & CEO):

Particulars	Amount in Rs.
Salary	1,81,58,541#
Allowances and perquisites	-
Bonuses	-
Stock options	-
Pensions	-
Fixed Component	-
Variable Component%	-
Total **	1,81,58,541
Directors Sitting Fees	N.A.
Opening Balance	N.A.
Options granted *	
Options exercised	-
Options Lapsed	-
Shareholding as on March 31, 2015	Nil
Period of Service contracts	For a period of three years commencing on and from February 01, 2014.
Notice Period	Six months
Severance fees	Nil except notice pay

^{*} SEBI vide its circular dated December 13, 2012 has prohibited ESOPs to form part of compensation of Key Management Personnel (KMP).

#Includes Rs. 19,16,667/- paid to buyout the notice period from the previous employer of Mr. Saurabh Sarkar as decided by the Board. Being a payment required to be made to his earlier employer to facilitate his early relieving and early joining in the Company, this payment was not in the nature of remuneration. However, it was erroneously shown under the head remuneration in the notes to accounts of the Company instead of recruitment cost.

b) Non-Executive Independent Directors

The following Non-Executive Independent Directors are being paid only sitting fees for attending the meetings of the Board and Committees thereof.

Name of the Director	Sitting Fees paid (Amount in Rs.)		
iname of the Director	Board	Committee	
Prof. (Mrs.) Ashima Goyal	216000	504000	
Mr. D.R. Dogra	216000	511000	
Mr. Thomas Mathew T.	216000	871000	

F. Details of shareholding of Directors as on March 31, 2015:- None of the directors hold any shares in the Company.

3. Stakeholders Relationship Committee:

In compliance with the Regulation 35 of the SECC Regulations read with Clause 49 (VIII) (E) (4) of the Listing Agreement, the Board at its meeting held on February 9, 2015 rename the "Shareholders' Grievance Committee"

^{**} Excludes gratuity and long term compensated absences which are actually valued and where separate amounts are not identifiable.

as 'Stakeholders Relationship Committee'. The Committee is constituted primarily to look into the redressal of grievances of shareholders and other security holders including the complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

A. Terms of reference

- 1. Handling and redressal of various Security holders' complaints including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- 2. Noting status of dematerialization, rematerialization, share transfer, transposition of names, transmission requests, etc.;
- 3. Issue of duplicate share certificates in case of damage or loss of share certificate;
- 4. Any other specific stakeholder matters as may be specified by the Board from time to time;

B. Composition, meetings and attendance

The Committee met four times during the year. The meetings were held on May 23, 2014, August 28, 2014, December 9, 2014 and March 27, 2015.

Member	Category	Meetings held during the tenure	Meetings Attended during the tenure
Mr. Thomas Mathew T.	Chairman- ID, PID	4	4
Mr. D.R. Dogra	Member- ID, PID	4	4
Mr. Saurabh Sarkar	Member- MD&CEO	4	4

ID – Independent Director; PID – Public Interest Director; MD & CEO – Managing Director and Chief Executive Officer.

C. Summary of requests /complaints received and redressed during the year

The Exchange had not received any complaints from its shareholders nor were there any unresolved complaints during the year.

D. Name and Designation of Compliance Officer

Mr. Sanjay Golecha

Vice President - Investor Grievance & Arbitration and Compliance

Metropolitan Stock Exchange of India Limited

(Formerly known as MCX Stock Exchange Ltd.)

4th Floor, Vibgyor Towers, Plot No. C - 62,

Bandra Kurla Complex, Bandra East, Mumbai 400098.

Ms. Divya Damania, Company Secretary looks after the correspondence with the shareholders of the Company.

4. OTHER COMMITTEES

The Company is regulated by SEBI and is required to comply with the requirements of SEBI Regulations. Other than the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration cum Compensation Committee constituted by the Company under the provisions of Companies Act, 2013 and Listing Agreement, the Company is additionally required to constitute Committees which are mandated by SEBI for stock exchanges. The Board has also constituted certain other Committees for operational convenience.

Pursuant to SEBI Regulations, the Company has constituted various other committees on the terms of reference defined therein by SEBI or in light of requirements of SEBI or the business exigencies:

- Executive Committee Currency Derivatives Segment
- Executive Committee Futures & Options Segment
- Executive Committee Capital Market Segment
- Advisory Committee
- Arbitration Committee
- Investor Service Committee
- Membership Committee
- Committee for monitoring compliance of SEBI Inspection Report
- Defaulters Committee
- Disciplinary Action Committee
- Ethics Committee
- Listing Regulation Oversight Committee
- Systems Committee
- Member Regulation Oversight Committee
- Project Implementation Committee (since dissolved)
- Trading & Surveillance Oversight Committee
- Public Interest Directors Committee
- Investment Committee
- Management Committee
- Investment Committee
- Investor Protection Fund
- Investor Service Committee
- Selection Committee
- Special Committee of PIDs (since dissolved)

5. Representation on Board of Subsidiaries:

As on March 31, 2015 the Company holds 51% of the paid-up capital of Metropolitan Clearing Corporation of India Limited (MCCIL) and 100% of MCX-SX KYC Registration Agency Limited (MCX-SX KRA). Out of the aforesaid two subsidiaries, MCCIL is a material non- listed Indian subsidiary of the Company. However, the Company cannot appoint its Independent Director on the board of Material Non-Listed Indian Subsidiary Company as per Clause V(A) of the Listing Agreement. As per Clause 6.3.4 of SEBI circular dated December 13, 2012, the Public interest directors shall not be simultaneously on the board of any other stock exchange/ clearing corporation or their subsidiary.

The minutes of the Board meetings of the subsidiaries are placed before the Board meeting of the Company.

The Company has formulated a policy for determining 'material' subsidiaries and such policy is hosted on the website of the company and can be accessed at http://www.msei.in/SX-Content/common/MCX-SX-About-Us/policy/2014/November/Policy-On-Determining-Material-Subsidiaries.pdf

6. Code of Conduct:

The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors, Key Management Personnel and employees of the Company. Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 there were some modifications made in the existing code of conduct. The same is hosted on the

website of the Company and can be accessed at http://www.msei.in/SX-Content/common/MCX-SX-About-Us/Code/2015/June/Code-for-Directors-and-committee-members.pdf and http://www.msei.in/SX-Content/common/MCX-SX-About-Us/Code/2015/June/Code-for-KMPs---Employees.pdf.

All the Board Members and the Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis. The necessary declaration by the Managing Director & Chief Executive Officer under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct has been obtained for the financial year 2014-15 and forms part of the Annual Report.

7. **General Meetings:**

A. Details of Annual General Meetings in last 3 years are as under:

Date & Time	Category	Venue of the meeting	Special resolution(s) passed for
September 30, 2014 at 4.00 pm	AGM (for FY 2013-2014)	At the registered office of the Company situated at 4th floor, C-62, Vibgyor Towers, Bandra Kurla Complex, Bandra East, Mumbai- 400098	No special resolutions were passed at this meeting.
September 28, 2013 at 11.00 a.m.	AGM (for FY- 2012-2013)	The Orchid Hotel, Chancery I, Nehru Road, Adjacent to Domestic Airport, Vile Parle (East), Mumbai – 400 099	ii) Amendments to the Articles of Association. iii) Modification to the Employee Stock Option Scheme, 2009 (ESOS 2009) of the Company. iii) Authorization for issuance of shares to the directors and employees of the Exchange under ESOP scheme upto 2% of post issue paid up equity capital of the Company or 1,50,00,000 equity shares of Re. 1/- whichever is less. iv) Authorization for issuance of shares to the directors and employees of the subsidiaries under ESOP scheme upto 2% of post issue paid up equity capital of the Company or 1,50,00,000 equity shares of Re. 1/- whichever is less.
September 20, 2012 at 3.30 p.m.	AGM (for FY- 2011-2012)	6 th floor Board Room, Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai - 400093	i) Amendments to the Articles of Association. ii) Authorization for issuance of shares under ESOP scheme upto 2% of post issue paid up equity capital of the Company or 1,50,00,000 equity shares of Re. 1/- whichever is less. iii) Authorisation under Section 372A of the Companies Act for Investment in securities of Metropolitan Clearing Corporation of India Limited upto a limit of Rs. 300 crore.

B. Details of Extraordinary General Meetings held during the year:

At the Extraordinary General Meetings following special resolutions were passed by the shareholders of the Company.

Date & Time	Venue of the meeting	Special resolution(s) passed for
February 9, 2015	At the registered office of the Company situated at 4th floor, C-62, Vibgyor Towers, Bandra Kurla Complex, Bandra East, Mumbai- 400098	i) Approved the change the name of the Company to Metropolitan Stock Exchange of India Ltd and also subject to extension of time for availability of said name or fresh intimation of availability of said name by ROC. ii) Amendments to the Articles of Association.
March 27, 2015	At the registered office of the Company situated at 4th floor, C-62, Vibgyor Towers, Bandra Kurla Complex, Bandra East, Mumbai- 400098	Ratification of extinguishment of warrants and reversal of extinguishment of said warrants held by Financial Technologies (India) Limited.

C. Postal Ballot

The Company has not passed any resolution by way of postal ballot during the financial year ended March 31, 2015.

8. <u>Disclosures:</u>

A. Disclosures on materially significant related party transactions

During the year, the Board of Directors approved the Policy on Related Party Transactions. The policy is hosted on the website of the Company and can be accessed at http://www.msei.in/SX-Content/common/MCX-SX-About-Us/policy/2015/January/Policy-on-Related-Party-Transactions.pdf.

The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. All the transactions with related party is under the pre-existing arrangements. Nonetheless, transactions with related parties as required to be reported under "Accounting Standard 18 - Related Party Disclosure" has been disclosed in the Financial Statements in the Annual Report.

B. Penalties or strictures imposed on the Company by SEBI or any statutory authority, on any matter related to the capital markets during the last three years:-

During the financial year 2014-15, the Company had received a letter from SEBI conveying the decision for renewal of recognition for a period of one year commencing on September 16, 2014 and ending on September 15, 2015 subject to the conditions specified therein. One of the condition was that the Exchange shall not introduce any new contracts till fulfillment of networth (undisputed) requirement to the level as prescribed in SEBI (SECC) Regulations, 2012 within a period of three months from the date of renewal of recognition. The inference of dispute in condition was apparently based on a letter written by FTIL to SEBI wherein they had contended that the extinguishment of warrants done by your Company was not correct.

In the meantime, Financial Technologies (India) Limited transferred 56,24,60,000 warrants held by it in the Exchange to 15 third parties. Subsequently, the warrants were exercised into Equity shares by the 15 third parties thereby increasing the paid up capital of the Company. Accordingly, the networth of the Company was as per the prescribed limit under SECC Regulation. In light of the same, the most important conditions as enumerated in the letter dated September 15, 2014 issued by SEBI while granting renewal of recognition with respect to net-worth of the Exchange was met with. After the said compliance, SEBI accorded its approval to the Exchange to launch fresh contracts in all segments. This paved way for the Exchange to launch new contracts in Currency Futures, Currency Options, Interest Rate Futures, Equity and Index Derivatives.

C. Disclosure of accounting treatment

The Company has followed Accounting Standards (AS) notified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 and Generally Accepted Accounting Principles in India (Indian GAAP).

D. Risk Management

The Exchange has appointed a Risk officer to specifically look after the risk faced by the Exchange and to have the mitigation plan for the same. The same is reviewed by the Audit Committee.

E. Disclosure relating to Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee

The Company has adopted a Code for all the Board Members, Key Management Personnel and Employees which includes a Whistle Blower Policy. This policy enables an employee to report any actual or possible violation of the code of conduct. Further, the mechanism adopted by the Whistle Blower to report genuine concern or grievances and provide for adequate safeguard against victimization of whistle blower who avail of such mechanism and also provides for direct access to the chairman of the audit committee in exceptional cases. The Board in its meeting held on May 26, 2014 has formalized a Whistle Blower policy which had come into effect from May 26, 2014. The same is hosted on the website of the Company and can be accessed at http://www.msei.in/SX-Content/common/MCX-SX-About-Us/Code/2015/June/WHISTLE-BLOWER-POLICY-MSEI.PDF.

None of the whistle blower was denied access to the Audit Committee during FY 2014-15 to the knowledge of the Compliance Officer, Mr. Sanjay Golecha. The same is reviewed by the Audit Committee on a quarterly basis.

F. Management discussions and Analysis Report

The Management Discussion and Analysis Report is covered separately in the Annual Report.

G. CEO/CFO certification

The certification received under clause 49 of the Listing Agreement from Mr. Saurabh Sarkar, Managing Director & CEO and Mr. Vikas Phadke, Chief Financial Officer on the financial statements of the Company for the year ended March 31, 2015 is annexed to this report.

H. Auditors' Certificate on corporate governance

M/s. T.R. Chadha & Co, Chartered Accountant, Statutory Auditors of the Company has certified that the Company has complied with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement. The said certificate is annexed to the Directors' Report and forms part of the Annual Report.

9. Compliance with Clause 49

A. Mandatory Requirements

As per regulation 35 of SECC Regulations, 2012, the disclosure requirements and corporate governance norms as applicable to a listed entity are mutatis mutandis applicable to a recognized stock exchange. The Company has complied with the applicable mandatory requirements of Clause 49 of the Listing Agreement unless stated otherwise.

B. Non Mandatory Requirements

The Company is in compliance with all the non-mandatory requirements listed in Clause 49 of the listing agreement to the extent applicable and practicable.

10. Means of Communication:

The financials results, shareholding pattern, press releases, Annual Reports etc. appear on the Company's website i.e. http://www.msei.in/about-us/about-us.aspx.

Significant events during the financial year are also posted on the website of the Company and can be accessed at http://www.msei.in/media/press-coverage.aspx from time-to-time. The Company's website gives information on Exchange Rules and Bye-laws, schemes, products, membership of the exchange, news, events etc.

11. General Shareholder Information:

Day, Date, Time and Venue of Annual General Meeting (2014-2015)	September 30, 2015 at 4.30 p.m. 4 th Floor, Vibgyor Tower, C62, Bandra Kurla Complex, Bandra (East), Mumbai- 400098		
Financial year	April 01, 2014 - March 31, 2015		
Record date & Book Closure date	Not Applicable		
Dividend payment date	Not Applicable		
Mode of payment of dividend	Not Applicable		
Listing on Stock Exchanges	The Company is not listed on any stock exchange.		
Stock Market Code	Not Applicable		
Name and Designation of Compliance Officer	Mr. Sanjay Golecha, Vice President - Investor Grievance & Arbitration and Compliance		
Registrars & Transfer Agents	Karvy Computershare Private Limited Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081.		
Share Transfer system	The authority has been delegated to the Management Committee of the Board to approve share transfers. The Stakeholders Relationship Committee notes transfers of shares, if any, from time to time.		
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	As at March 31, 2015, the Company had 59,16,00,731 outstanding Warrants. The details on the warrants conversion are reported in the Directors Report.		
Exchange operations are located at	4 th Floor, Vibgyor Tower, C62, Bandra Kurla Complex, Bandra (East), Mumbai- 400098		
Address for Correspondence	Registered Office: 4 th Floor, Vibgyor Tower, C62, Bandra Kurla Complex, Bandra (East), Mumbai- 400098. Tel: 61129000 Email id: secretarial@msei.in Website: www.msei.in		

Dematerialisation of Shares and Liquidity

As required under SEBI Regulations, the entire 116,34,13,045 equity shares of the Company as on March 31, 2015 are under dematerialized (electronic) form. The equity shares of the Company have been admitted for dematerialisation with both the depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

ISIN of the equity shares of the Company is INE312K01010.

Stock Market Data

Not Applicable as the Company is not listed on any stock exchange.

Share Price Performance to Broad Based Indices

Not Applicable as the Company is not listed on any stock exchange.

Distribution of Shareholding & Shareholding pattern (As on March 31, 2015):

Distribution of Shareholding

Sr. no	Category (Amount)	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	upto 1 - 5000	82	58.99	215611	0.01
2	5001 - 10000	10	7.19	65505	0.01
3	10001 - 20000	4	2.88	55217	0.01
4	40001 - 50000	2	1.44	82500	0.01
5	50001 - 100000	2	1.44	165000	0.01
6	100001 & ABOVE	39	28.06	1162829212	99.95
	Total	139	100	1163413045	100

Shareholding Pattern- March 31, 2015

Sr. No	Category	No. of shares held	% of shareholding
(A)	PROMOTER AND PROMOTER GROUP		
(1)	INDIAN		
	Bodies Corporate	-	-
	Sub-Total A(1)	-	-
(2)	FOREIGN		
	Sub-Total A(2)	-	-
	Total A=A(1)+A(2)	-	-
(B)	PUBLIC SHAREHOLDING		
(1)	INSTITUTIONS		
(a)	Mutual Funds /UTI	-	-
(b)	Financial Institutions /Banks	469294188	40.33
(c)	Venture Capital Funds	-	-
(d)	Foreign Institutional Investors	-	-
(e)	Foreign Bodies Corporate	-	-
	Sub-Total B(1)	469294188	40.33
(2)	Non-Institutions		
(a)	Bodies Corporate	302593457	26.01
(b)	Individuals	328648833	28.25
(c)	HUF	57020000	4.91
(d)	Trusts	5856567	0.50
(e)	Non-Resident Indian	-	-
(f)	Clearing Members	-	-
	Sub-Total B(2)	694118857	59.67
	Total B=B(1)+B(2)	1163413045	100
	Total (A+B)	1163413045	100

ANNUAL REPORT 2014-15

During the year, Financial Technologies (India) Limited transferred 56,24,60,000 warrants held by it in the Company to 15 third parties which was subsequently exercised into equity shares thereby increasing the paid up capital of the Company. It also transferred 2,71,65,000 Equity Shares to one of the third party held by it in the Company. After the said transaction, Financial Technologies (India) Limited has completely divested its Equity and Warrant holding in the Exchange.

Further, Multi Commodity Exchange of India Limited exercised 2,10,46,514 warrants into Equity Shares and transferred 2,15,22,755 warrants to one of the existing shareholder out of remaining 61,31,23,486 warrants held by it in the Company. The changes in the share capital during the year have been explained in the Directors Report.

As per regulation 35 of SECC Regulations, 2012, the disclosure requirements and corporate governance norms as applicable to a listed entity are mutatis mutandis applicable to a recognized stock exchange. The Company has complied with the applicable mandatory requirements of Clause 49 of the Listing Agreement unless stated otherwise.

For and on behalf of the Board of Directors

Thomas Mathew T.

Chairman DIN: 00130282

Date: August 29, 2015 Place: Mumbai

RECEIPT OF AFFIRMATIONS ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2014- 15 as adopted by the Board of Directors.

Saurabh Sarkar

Managing Director & CEO DIN: 06390729

August 29, 2015

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

(ISSUED IN ACCORDANCE WITH THE PROVISIONS OF REGULATION 35 OF SECC REGULATIONS READ WITH CLAUSE 49 OF THE LISTING AGREEMENT)

To the Board of Directors

Metropolitan Stock Exchange of India Limited

(Formerly known as MCX Stock Exchange Limited)

Dear Sirs,

We have reviewed the financial statements and cash flow statement of Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited) for the financial year ended March 31, 2015 and to the best of our knowledge and belief, we hereby certify that:

- a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to be taken to rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i. that there no significant changes in internal control over financial reporting during the year;
 - ii. that there no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. that there no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Yours Sincerely,

Saurabh Sarkar

Managing Director & CEO

DIN: 06390729 Date: May 29, 2015 Vikas Phadke

Chief Financial Officer PAN: AASPP1085E

TO THE MEMBERS
METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

(Formerly known as MCX Stock Exchange Limited)

As per regulation 35 of the Stock Exchanges and Clearing Corporations (SECC) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies shall mutatis mutandis apply to a recognized stock exchange.

Accordingly, we have examined the compliance of conditions of Corporate Governance by Metropolitan Stock Exchange of India Limited (formerly known as MCX Stock Exchange Limited), for the year ended on 31st March 2015, as stipulated in the Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Management, we certify that the Company has complied, with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement, to the extent practical and applicable considered by the management and as intimated to SEBI.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For T R Chadha & Co.
Chartered Accountants
Firm Registration No. 006711N

Vikas Kumar

Partner

Membership No.: 75363

Place: Mumbai

Date: August 29, 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

THE MEMBERS OF METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

(FORMERLY KNOWN AS MCX STOCK EXCHANGE LIMITED)

We have audited the accompanying standalone financial statements of Metropolitan Stock Exchange of India Limited (erstwhile MCX Stock Exchange Limited) (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis of Qualified Opinion:

- a. Refer Note no.27 of Notes to the accounts of the Company; the company continues to prepare its Financial Statements on going concern basis, even though its net-worth has been substantially eroded due to losses incurred during the previous year(s) and in the current period and there is no confirmation on required funding to the Company for its continued business. The Company is however confident of raising funds, increase volume and make profits in future years and hence prepared the accounts on going concern basis including not carrying out the impairment testing to ascertain carrying value of fixed assets, etc. and also the sum of Rs.35.17 Crores and Rs.1.86 Crores towards Service tax set-off and MAT Credit is considered as recoverable. We are unable to comment on the adjustments, if any, that will be arising out of the same.
- b. Refer Note no.28 of Notes to the accounts; the Company, in the earlier years, entered into various contracts with the parties mentioned in the register maintained under Section 301 of the Companies Act, 1956 to whom amounts have been paid as Infrastructure, software and software support charges during the said years in respect of which no alternative quotations are / were available. As informed by the Management, they have already renegotiated few of such contracts and are in the process of reviewing other such contracts / charges to establish their reasonableness for similar line of business. We are unable to comment on the adjustments, if any, that will be arising out of such review.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion Paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the notes to the standalone financial statements:

- a. Note No. 32 of the Notes to Accounts, during the year, the Company has aligned its depreciation policy in line with the useful lives as stated in the Companies Act, 2013 and has also reassessed the useful lives of its intangible assets by increasing the useful life of Computer Software from five years to ten years. The same has resulted in lower charging of depreciation of Rs.10.15 Crores for the period. Further, the depreciation on assets which completed its useful lives has been debited to the General reserves amounting to Rs.21.10 Lac.
- b. Note No.43 of the Notes to Accounts; Securities and Exchange Board of India's (SEBI) letter dated December 26, 2013 requires the Company to transfer 25% of its profit of every year to the Settlement Guarantee Fund (SGF) of the recognized Clearing Corporation(s) which clears and settles trades executed on that exchange in accordance with Clause 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2012. The Company has now allocated its existing contribution to SGF of MCX-SX Clearing Corporation Ltd. to different segments as against the amount transferable under Regulation 33, as permissible in terms of SEBI circular no. CIR/MRD/DMNRP/25/2014 dated August 27, 2014. The Company has informed the same to SEBI vide its letter dated November 28, 2014.

c. Note No.31 of the Notes to Accounts, based on a SEBI order affirmed by the Security Appellate Tribunal (SAT), the Company has decided to treat the warrants held by Financial Technologies India Limited (FTIL) as extinguished and of no effect whatsoever on account of their continuance to hold the same post lapse of the time limits specified by SEBI/SAT. Consequently, the Company has transferred an amount of Rs.56.25 Crores standing as Non Refundable Interest Free Deposits against Warrants issued to FTIL, erstwhile promoter, to the Capital Reserve during the year. As per the above referred SEBI Order, FTIL has been declared not a "Fit and Proper Person" to hold any share including instrument that provides entitlement for equity shares of the Company and the timeline provided by SEBI and extended timeline provided by SAT to divest the aforesaid warrants has been expired. Further, the voting rights associated with the equity shares held by FTIL have been extinguished. FTIL has disputed the extinguishment of the warrants. With respect to above, FTIL has sold these warrants thereafter and Company has allotted 56,24,60,000 shares amounting Rs.56.25 Crores during the year itself and accordingly, the amount was transferred from capital reserve to share capital, thus FTIL has completely divested its equity and warrants holding in the Exchange during the current financial year.

Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

- a. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- b. As required by section 143(3) of the Act, we report that:
 - We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - iii. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - iv. Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - v. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - vi. On the basis of written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors of the Company, none of the Directors of the Company is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
 - vii. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

ANNUAL REPORT 2014-15 | Standalone Financials

- viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements, where practical Refer Note 26 on Contingent Liabilities.
 - 2. The Company has entered into various contracts including long term contracts with a Company towards software license and maintenance agreements etc. The continuance of these contracts shall depend on the future running of the business including raising required resources for the same. Hence, the chances of termination of these contracts and the impact of the same on the financial statements including penalty and charges if any cannot be commented upon. Apart from the same, the Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - 3. The Company has been generally regular in transferring the amounts required to be transferred, to the Investor Education and Protection Fund.

For T R Chadha & Co. Chartered Accountants Firm Registration No. 006711N

Vikas Kumar Partner Membership No. 75363

Place: Mumbai Date: May 29, 2015

METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

(FORMERLY KNOWN AS MCX STOCK EXCHANGE LIMITED)

Annexure referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

- **a.** 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - 2) As per the information and explanation given to us, the company has physically verified its assets in phased manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verifications during the year.
- **b.** There were no inventories lying as on 31.03.2015. Accordingly, the provisions of Clauses 2 of the Order are not applicable to the Company.
- **c.** During the year, the Company has not granted any Loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Accordingly, the provisions of clauses 3(a) and 3(b) of the Order is not applicable to the Company.
- d. In our opinion and according to information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for purchase of fixed assets and for the sale of services. During the course of our audit and according to the information and explanations given to us we have not observed any continuing failure to correct major weakness in internal control system.
- **e.** The Company has not accepted deposits. Accordingly, the provisions of Clause 5 of the Order are not applicable to the Company.
- f. To the best of our knowledge and according to the information and explanations provided to us, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act.
- g. 1) According to the records maintained by the Company, the Company has been generally regular in depositing its undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Value Added Tax, Cess and any other statutory dues as applicable with the appropriate authorities during the year. According to the information and explanation given to us, no undisputed amounts payable in respect of above statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
 - 2) According to the information and explanations given to us, there are no dues of income tax, service tax, wealth tax, value added tax, or cess which have not been deposited on account of dispute.
 - 3) According to the records of the Company, the Company has been generally regular in transferring the amount required to be transferred to Investor Education and Protection Fund, within time in accordance with the provisions of the Act.
- h. The accumulated losses of the Company at the end of the financials year are more than fifty percent of its net worth. The Company has incurred cash losses in current financial year and immediately preceding financial year.
- i. As per the records of the Company, it has no dues to financial institutions or banks or debenture holders. Accordingly the provision of Clause 9 of the order is not applicable to be Company.

ANNUAL REPORT 2014-15 | Standalone Financials

- j. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- k. As per the record maintained by the Company no term loan is availed by it during the year. Accordingly the provision of Clause 11 of the order is not applicable to be Company.
- I. According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For T R Chadha & Co. Chartered Accountants Firm Registration No. 006711N

Place: Mumbai Date: May 29, 2015 **Vikas Kumar** Partner Membership No. 75363

Audited Balance sheet as at March 31, 2015

	Nata	As a		As:	
Equity and Liabilities	Note	March 3	1,2015	March 3	1,2014
Equity and Edubnices					
Shareholders' Fund					
Share capital	3	1,158,279,615		539,252,400	
Reserves and surplus	4	113,208,428		661,745,885	
Non Refundable Interest Free Deposits Against Warrants	5	591,600,731		1,196,630,000	
			1,863,088,774		2,397,628,285
Share application money pending allotment			-		271,650,000
Non-Current Liabilities					
Other long-term liabilities	6		45,800,000		138,600,000
Current Liabilities					
Trade payables	7	45,070,959		134,082,670	
Other current liabilities	8 9	743,323,236	705 076 074	708,432,574	052 202 006
Short term provisions	9	7,481,876	795,876,071	10,788,642	853,303,886
Tota	I	- 	2,704,764,845	,	3,661,182,171
Assets					
Non-Current Assets					
Fixed Assets	10				
Tangible assets		233,551,024		250,965,093	
Intangible assets		592,700,674		654,711,990	
Intangible asset under development		5,000,000		7,138,256	
Capital work in progress		-		16,147,624	
Non-current investments	11	127,850,000		128,000,000	
Long term loans and advances	12	639,209,611	1 500 211 200	663,825,482	1 720 700 445
Current Assets			1,598,311,309		1,720,788,445
Current investments	13	159,940,663		185,092,293	
Trade receivables	14	8,533,156		65,813,506	
Cash and bank balances	15	751,223,959		1,330,803,236	
Short term loans and advances	16	144,520,474		273,428,125	
Other current assets	17	42,235,284		85,256,566	
			1,106,453,536		1,940,393,727
Tota	I	-	2,704,764,845		3,661,182,171
		•			

Notes on Financial Statements 1 - 48

As per our report of even date

For T R Chadha & Co Chartered Accountants Firm Reg.No-006711N For and on behalf of the Board of Directors of **Metropolitan Stock Exchange Of India Limited** (Formerly known as MCX Stock Exchange Limited)

Vikas Kumar Thomas Mathew T. Saurabh Sarkar

Partner Chairman Managing Director & CEO M. No. - 75363

Place : Mumbai Vikas Phadke

Date: May 29, 2015 Chief Financial Officer

Audited Statement of Profit and Loss for the year ended March 31, 2015

	Note	2014-15	2013-14
Income			
Revenue from operations	18	343,405,277	918,268,806
Other income	19	108,741,675	197,304,530
Total Revenu	e	452,146,952	1,115,573,336
Expenditure			
Operating expenses	20	494,523,135	1,139,179,900
Employee benefits expense	21	205,400,121	304,047,710
Finance costs	22	115,820	471,147
Advertisement and Business Promotion Expenses	23	1,080,982	557,940,209
Depreciation and amortisation expense	10	142,441,068	221,723,692
Other expenses	24	209,807,253	409,031,417
Total Expense	es	1,053,368,379	2,632,394,075
Profit / (Loss) before exceptional items and tax		(601,221,427)	(1,516,820,739)
Exceptional items	25	-	28,500,000
Profit / (Loss) before tax		(601,221,427)	(1,545,320,739)
Less: Provision for taxation			
- Income Tax		-	-
Profit / (Loss) for the year		(601,221,427)	(1,545,320,739)
Earnings per equity share of face value of Re.1 each	26		
Basic (in Re.)		(0.89)	(2.87)
Diluted (in Re.)		(0.89)	(2.87)

Notes on Financial Statements 1 - 48

As per our report of even date

For T R Chadha & Co Chartered Accountants Firm Reg.No-006711N For and on behalf of the Board of Directors of **Metropolitan Stock Exchange Of India Limited** (Formerly known as MCX Stock Exchange Limited)

Vikas Kumar Thomas Mathew T. Saurabh Sarkar

Partner Chairman Managing Director & CEO M. No. - 75363

Place : Mumbai Vikas Phadke

Date : May 29, 2015 Chief Financial Officer

Audited Cash Flow Statement for the year ended March 31, 2015

		201	4-15	201	3-14
A.	Cash flow from Operating Activities				
	Net Profit / (Loss) before tax as per Statement of Profit and Loss		(601,221,427)		(1,545,320,738)
	Adjustments for				
	Depreciation/Amortisation	142,441,068		221,723,692	
	Depreciation on Assets whose useful life has expired as at 31-03-14	(2,109,534)			
	Dividend from Investments	(10,835,121)		(15,568,149)	
	Net Prior Year Adjustments	110,551,246		6,403,844	
	Unrealised Exchange Rate fluctuation	-		1,192	
	Interest Income	(84,105,482)		(178,068,581)	
	Finance Costs	115,820		471,147	
	Loss on sale of Fixed Asset (net)	2,758,032		535,495	
	Provison for doubtful debts	152,303		358,573	
	Profit on sale of investments (net)	(10,167,200)		-	
	Depletion in value of investments	150,000		-	
	Operating profit/ (loss) before working capital changes Adjustments for		(452,270,295)		(1,509,463,526)
	Trade and other receivables	261,853,145		(141,766,312)	
	Trade and other payables	(131,553,651)		(171,565,186)	
			130,299,494		(313,331,498)
	Cash generated from/(used in) operations		(321,970,801)		(1,822,795,024)
	Net Prior Year Adjustments		(110,551,246)		(6,403,844)
	Less: Taxes paid		(51,119,831)		(46,140,885)
	Net cash generated from/(used in) operating activities		(483,641,878)		(1,875,339,754)
B.	Cash flow from Investing Activities				
	Purchase of Fixed Assets (including Capital Work In Progress)		(69,721,014)		(242,826,273)
	Sale of Fixed Assets		3,559,014		3,618,377
	Purchase of current investments		(1,673,500,000)		(2,683,768,087)
	Sale of current investments		1,698,651,630		2,618,767,767
	Income from Current Investments		21,002,321		15,568,149
	Fixed deposit placed with banks (having maturity of more than 3 months)		(726,977,569)		(563,594,596)
	Fixed deposit matured (having maturity of more than 3 months)		1,034,594,606		1,890,130,689
	Interest received (net of accrued interest)		127,045,019		211,611,731
	Net cash generated from/(used in) Investing Activities		414,654,009		1,249,507,757
C.	Cash flow from Financing Activities				
	Finance Costs		(115,820)		(471,147)
	Share application money received/ (refunded)		(271,650,000)		271,650,000
	Proceeds from issuance of shares		13,698,376		-
	Issue of Shares to Employees by ESOP trust from Loan shares		299,570		-
	Secuity premium collected		54,793,504		-
	Net Cash Generated from Financing Activities		(202,974,370)		271,178,853
	Net Increase in Cash and Cash Equivalents		(271,962,240)		(354,653,143)
	Cash and Cash Equivalents at Beginning of the Year		596,208,630		950,861,774
	(Refer note 19)		224 246 200		E06 300 630
	Cash and Cash Equivalents at End of the Year		324,246,390		596,208,630
	(Refer note 19) Add : Fixed Deposits held for more than three months		426,977,569		734,594,606
	Closing Cash and Bank Balance as per Note 19		751,223,959		1,330,803,236
	Closing Cash and Dalik Dalance as per Note 13		/31,223,359		1,330,003,230

Notes to Cash Flow Statement:

- 1. The Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 (AS 3)" Cash Flow Statement" issued by the Companies (Accounting Standards) Rules, 2006.
- 2. Figures in brackets represent cash outflows.

As per our report of even date

For T R Chadha & Co **Chartered Accountants** Firm Reg.No-006711N

For and on behalf of the Board of Directors of **Metropolitan Stock Exchange Of India Limited** (Formerly known as MCX Stock Exchange Limited)

Saurabh Sarkar

Managing Director & CEO

Vikas Kumar

Place: Mumbai Date: May 29, 2015

Partner (M. No. – 75363)

Vikas Phadke **Chief Financial Officer**

Thomas Mathew T.

Chairman

1. Corporate Information

The Company was incorporated on August 14, 2008 and recognized as a stock exchange by Securities and Exchange Board of India (SEBI) under section 4 of the Securities Contracts (Regulation) Act, 1956 with effect from September 16, 2008. The Exchange was notified a "Recognised Stock Exchange" under Section 2(39) of the Companies Act, 1956 by Ministry of Corporate Affairs, Govt. of India, on December 21, 2012. The Company provide platform for trading in Currency Derivatives, Debt Segment, Interest Rate Futures, Equity Cash and F&O segment.

In the current year, the Company received a conditional extension of one year till September 15, 2015 from SEBI vide letter dated MRD/DSA/OW/26977/2014 dated September 15, 2014

2. Significant Accounting Policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical-cost convention on accrual basis, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), provision of the Companies Act, 2013 and Accounting Standards (AS) notified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

2.2 Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of financial statements, the reported amount of revenues and expenses during the reporting period and disclosure of contingent liabilities on the date of the financial statements. Management believes that the assumption and estimates used in preparation of the financial statement are prudent and reasonable based upon their evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying financial statements. Adjustments, if any, are prospectively made.

2.3 Operating Cycle

Based on the nature of its activities, the company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non-current.

2.4 Tangible Fixed assets

Tangible Fixed assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation and impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets and any attributable cost of bringing the asset to its working condition for its intended use.

Assets which are not ready for their intended use are shown as Capital Work in Progress.

2.5 Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any.

2.6 Depreciation

Depreciation on Tangible Fixed assets is provided on straight line method by considering the revised useful lives as specified in Part 'C" of Schedule II to the Companies Act, 2013, which is also estimated as useful lives by the management. The same is as given below:-

Sr. No	Classification of an asset	Useful life as per new Companies Act 2013 (Years)
1	Furniture and fixtures	10
2	Office Equipment's	5
3	Vehicles	8
4	Computer Hardware	
	(i) Computer Servers	6
	(ii) Networking Equipment's	6
	(iii) Desktop/Laptop etc.	3

Leasehold improvements are depreciated over the period of lease or at their estimated useful life, whichever is lower.

Intangible assets comprising of software purchased and licensing cost are amortized on straight line basis over the useful life of the software up to a maximum period of 10 years.

The Company provides pro-rata depreciation from the day the asset is ready to use and for any asset sold, till the date of sale.

2.7 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

2.8 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year-end are restated at year end rates. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss of the year.

2.9 Revenue recognition

Revenue is recognized when no significant uncertainty as to measurement and realization exists.

Transaction fees are charged to members at the applicable rates based on the volume of transactions entered into by the members through the exchange. These are accrued when orders placed by members on the network are matched and confirmed.

Admission fees collected from new members for joining the exchange are recognized when received and the member is approved by membership committee.

Processing and other fees collected from members are recognized on receipt basis.

Recoveries from members towards VSAT connectivity are apportioned over the period of connectivity (three years) on a pro rata basis from the date of activation of connectivity

Dividend income is recognized when the company's right to receive dividend is established.

Interest income is recognized on time proportion basis.

Income from Listing Fees is recognized on time proportion basis.

Profit / Loss on sale / redemption of Investment is determined at weighted average cost.

2.10 Employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit & Loss of the year in which the related service is rendered.

Long-term employee benefits, viz., gratuity and leave encashment are recognized at the present value of the amounts payable determined at the close of the year based on actuarial valuation techniques using the Projected Unit Credit Method. Actuarial gains and losses are charged to the Statement of Profit & Loss. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate.

2.11 Investments

Investments are classified as long-term or current based on intention of the management at the time of purchase.

Long-term investments are carried at carrying cost less other than temporary diminution in value, determined separately for each individual investment.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each individual investment.

2.12 Accounting for Taxes

Tax expense comprises current tax and deferred tax charge or credit.

Current tax

Current tax expense is determined in accordance with the provision of Indian Income Tax Act, 1961 after taking into consideration the exemption and allowances, if any, available to the Company in the Income Tax Act, 1961.

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets resulting from "timing difference" between taxable and accounting income are recognized using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realize the same.

2.13 Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognized as an expense in the Statement of Profit & Loss in accordance with Accounting Standard 19 - Leases.

2.14 Provisions, contingent liabilities and contingent assets

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes that it has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reasonable estimate can be made.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the financial statements.

2.15 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

2.16 Prepaid Expense

Expenses incurred during the year which provide benefit in several accounting years has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata time basis in the future accounting year.

2.17 Events occurring after Balance sheet Date

Events occurring after Balance sheet Date have been considered in preparation of the financial statements.

3. Share Capital

	As at March 31, 2015		As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
Authorised :				
3,500,000,000 (Previous Year: 2,500,000,000) Equity Shares of Re.1/-		3,500,000,000		2,500,000,000
Issued, Subscribed and Paid-up:				
1,163,413,045 (previous year: 544,685,400) equity shares of Re 1/- each,				
fully paid up	1,163,413,045		544,685,400	
Less :- Amount recoverable from MCX Stock Exchange ESOP Trust (Refer				
Note 3.4) [5,133,430 (Previous Year Rs.5,433,000) equity shares of Re 1/				
each fully paid alloted to the MCX Stock Exchange ESOP Trust]				
-	5,133,430	4 450 270 645	5,433,000	F20 252 400
		1,158,279,615		539,252,400
Total		1,158,279,615		539,252,400

3.1 Reconciliation of the shares outstanding at the beginning and at the end of year.

	As at Mar	ch 31, 2015	As at March 31, 2014		
	No. of Shares Rupees		No. of Shares	Rupees	
Equity shares					
At the beginning of the Year	544,685,400	544,685,400	544,685,400	544,685,400	
Issued during the Year	618,727,645	618,727,645	-	-	
Outstanding at the end of the Year	1,163,413,045	1,163,413,045	544,685,400	544,685,400	

3.2 Details of shareholders holding more than 5% shares in the company

	As at Mar	ch 31, 2015	As at March 31, 2014	
	No. of Shares % holding		No. of Shares	% holding
Equity shares of Re.1/- each fully paid-up				
IFCI Limited	71,875,000	6.18%	71,875,000	13.20%
Union Bank of India	72,500,000	6.23%	62,500,000	11.48%
Punjab National Bank	50,000,000	4.30%	50,000,000	9.18%

3.3 Shares reserved for issue under options

- (i) The Convertible share warrant holders have the option to convert their share warrant into 591,600,731 (Previous Year 1,196,630,000) equity shares of Re.1 each at the terms and conditions mentioned in note no.5.
- (ii) 3,659,475 (Previous Year 3,979,308) equity shares of Re.1 each have been reserved to be alloted to the ESOP trust under ESOP Scheme.

3.4 Loan to ESOP Trust

The Company's ESOP is administered through an ESOP Trust, which subscribes to shares of the Company and holds them until issuance thereof based on vesting and exercise of options by employees. At the time of

formation of the trust the Company has provided an interest free loan amounting to Rs. 6,000,000 to the Trust to subscribe to 5,433,000 shares issued at Re. 1 per share and were allotted on November 20, 2009. As per the Guidance Note on Accounting for Employee Share Based payments issued by the Institute of Chartered Accountants of India, the amount of loan equivalent to the face value of securities subscribed and not allotted to employees [Rs. 5,133,430] has been deducted from share capital account and the balance part of the loan representing the amount of [Rs. 866,570] has been added to short term loans and advances in note no.20.The balance of such loan as at March 31, 2015 is Rs. 6,000,000. The repayment of the loan is primarily dependent upon the exercise of options by the employees, the price at which fresh or reissued options are granted and dividend income earned thereon till exercise of options. The Company believes that the options would be exercised by the employees and the Trust would be able to repay the loan based on the price received by the Trust there against. On that basis, the loan to the Trust is considered as good of recovery.

4. Reserve and Surplus

	As at March 31, 2015		As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
Securities Premium Account				
As per last Balance Sheet	3,460,872,570		3,460,872,570	
Add :- Received on Issue of Shares	54,793,504		-	
		3,515,666,074		3,460,872,570
Surplus / (deficit) in statement of Profit and Loss				
As per last financial statements	(2,799,126,685)		(1,253,805,946)	
Less: Depreciation on Assets whose useful life has expired as at 31-				
03-14	(2,109,534)		-	
Add / (Less) :- Profit / (Loss) for the year	(601,221,427)		(1,545,320,739)	
		(3,402,457,646)		(2,799,126,685
Tota		113,208,428		661,745,885

5. Non Refundable Interest Free Deposits Against Warrants

	As at Mai	rch 31, 2015	As at March 31, 2014	
	Rupees	Rupees	Rupees	Rupees
As per last Balance Sheet	1,196,630,000		1,196,630,000	
Add :- Issue during the year	-		-	
Less :- Converted to Shares	605,029,269		-	
At the end of the year		591,600,731		1,196,630,000
Tota	ı	591,600,731		1,196,630,000

A total of 1,196,630,000 warrants were allotted to certain shareholders under the Scheme of Capital Reduction cum Arrangement implemented from March 19, 2010 post sanction of the Hon'ble High Court of Bombay under Sections 100-104 and 391-393 of the Companies Act, 1956. Under the Scheme, an amount of Re. 1 was required to be maintained against each warrant as non-refundable interest free deposit. Accordingly, the Company holds an amount of Rs. 591,600,731 (Previous year 1,196,630,000) as interest free non-refundable deposit. Each warrant holder can exercise in one or more installments, its option to subscribe to the fully paid up equity shares of the Company of the face value of Re. 1 each subject to conditions. The exercise of warrants would always be subject to the Securities Contracts (Regulation) (Stock exchanges and Clearing Corporations) Regulations, 2012 or any such regulation which is in force and other conditions. Upon exercise of the option, the proportionate non-refundable interest free deposit will be adjusted against the moneys receivable in respect of the equity shares so issued. The Equity Shares arising out of the exercise of Warrants will rank pari passu with the existing equity shares in all respects. The warrants do not carry any voting rights.

6. Other long-term liabilities

	As at Mai	rch 31, 2015	As at March 31, 2014	
	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards :				
- Deposits		45,800,000		138,600,000
Total		45,800,000		138,600,000

7. Trade Payables

	As at Ma	rch 31, 2015	As at March 31, 2014	
	Rupees	Rupees	Rupees	Rupees
Micro, Small and Medium Enterprises		-		147,059
Others		45,070,959		133,935,611
Total		45,070,959		134,082,670

8. Other Current Liabilities

	As at Mar	ch 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
Unearned Income towards :				
- Vsat connectivity charges	1,922,441		1,844,856	
- Other connectivity charges	-		22,054	
- Admission fees	1,450,000		950,000	
- Income received in advance	2,306,564		8,480,376	
- Trasaction Charges	-		325,840	
		5,679,005		11,623,126
Deposits from members		700,255,844		623,365,054
Sundry Creditors for Capital Expenditure		26,516		18,700,681
Investor service fund # [Including interest earned of Rs.437,878				
(Previous Year Rs.370,272)]		5,857,537		4,972,659
Sebi Regulatory Fees		10,000,000		20,000,000
TDS Payable		15,994,037		10,914,232
Other Liabilities *		5,510,297		18,856,822
# Investor Service Fund was established by the Company in				
accordance with SEBI approval letter dated September 18, 2008.				
The fund is maintained to provide services to investors which				
include maintenance of investor grievance cell, education and				
awareness about securities market, price dissemination and other				
services that are in the interest of the investor. The balance				
amounting to Rs. 5,857,537 (Previous year Rs.4,972,669) as at				
March 31, 2015 represents the total contribution amount of Rs.				
4,000,000 (Rs.4,000,000), Listing Fees Contribution and interest				
earned thereon.				
* Mainly includes Statutory Liabilities				
		743,323,236		708,432,574
	-	2/0-0/-00		

9. Short Term Provisions

	As at Ma	rch 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
Provision for Gratuity (Refer Note 35)		1,866,595		2,682,487
Provision for Leave Encashment		5,605,400		7,937,490
Provision for Wealth Tax		9,881		168,665
Total		7,481,876		10,788,642

10. Fixed Assets

(Amount in Rs.)

		Gross Block	ilock			Depreciation/Amortisation	Amortisation		Net Block	llock
Particulars	As at April 01, 2014	Additions during the year	Deductions/ Adjustments	As at March 31,2015	Upto March 31, 2014	For the year	Deductions/ Adjustments	Deductions/ Upto Adjustments March 31,2015	As at March 31,2015	As at March 31, 2014
TANGIBLE ASSETS										
OWN ASSETS										
Office Equipments	17,216,433	1,599,963	593,004	18,223,392	1,276,197	5,244,545	252,701	6,268,041	11,955,351	15,940,236
Computer Hardware	306,877,838	51,688,115	5,775,188	352,790,765	92,142,451	57,857,363	3,688,141	146,311,673	206,479,092	214,735,387
Furniture & Fixtures	3,513,965	1,505,244	,	5,019,209	412,215	448,576		860,791	4,158,418	3,101,749
Vehicles	9,797,453	1,260,416	5,882,705	5,175,164	1,939,814	1,240,278	1,993,009	1,187,083	3,988,081	7,857,639
<u>LEASED ASSETS</u>										
Leasehold Improvements	11,800,000	-	1	11,800,000	2,469,918	2,360,000		4,829,918	6,970,082	9,330,082
Total (A)	349,205,689	56,053,738	12,250,897	393,008,530	98,240,595	67,150,762	5,933,851	159,457,506	233,551,024	250,965,093
Previous Year	321,343,141	33,171,784	5,309,236	349,205,689	46,472,290	52,923,669	1,155,364	98,240,595	250,965,093	
INTANGIBLE ASSETS										
Computer Software**	982,496,634	13,278,990	,	995,775,624	327,784,644	75,290,306		403,074,950	592,700,674	654,711,990
(Other than internally generated)										
Total (B)	982,496,634	13,278,990	,	995,775,624	327,784,644	75,290,306		403,074,950	592,700,674	654,711,990
Previous Year	769,990,579	212,506,055	,	982,496,634	158,984,621	168,800,023		327,784,644	654,711,990	
TOTAL (A + B)	1,331,702,323	69,332,728	12,250,897	1,388,784,154	426,025,239	142,441,068	5,933,851	562,532,456	826,251,698	905,677,084
Previous Year	1,091,333,720	245,677,839	5,309,236	1,331,702,323	205,456,911	221,723,692	1,155,364	426,025,240	902,677,084	
Intangible asset under development									2,000,000	7,138,256

Intangible asset under development

Capital work In progress ** In certain cases the company has only usage right and not the title or ownership. ** Refer Note No.32

11. Non-Current Investments

	As at Mar	rch 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
Trade, Unquoted (at cost) In Equity Shares of Subsidiary Companies 12,750,000 Equity Shares (Previous Year 12,750,000) of MCX-SX Clearing Corporation Limited of Rs.10 each fully paid-up.	127,500,000		127,500,000	
50,000 Equity Shares (Previous Year 50,000) of MCX- SX KYC Registration Agency Ltd. of Rs.10 each fully paid-up.	500,000		500,000	
Less :- Provision for dimunition in the value of Investments	128,000,000 150,000	127,850,000	128,000,000	128,000,000
Total		127,850,000		128,000,000
Total amount of unquoted investments		127,850,000		128,000,000

12. Long term loans and advances

	As at Mar	ch 31, 2015	As at March	1 31, 2014
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good)				
Capital advances	364,805		-	
Balance with Central Excise and Service Tax authorities	351,651,349		316,802,235	
Prepaid expenses	7,208,779		2,436,002	
Sundry Deposits	50,871,127		52,980,381	
Advance Income Tax (net)	210,424,767		270,355,838	
MAT Credit entitlements	18,554,307		18,554,307	
Loans and advances to employees	134,477		2,696,718	
		639,209,611		663,825,482
Total		639,209,611	İ	663,825,482

13. Current investments

	As at Marc	h 31, 2015	As at March	31, 2014
	Rupees	Rupees	Rupees	Rupees
Non-trade unquoted (at lower of cost or realisable value, whichever is lower)				
In units of Mutual Funds, fully paid-up				
16,606.996 (Previous Year NIL) of Rs.2107.5455 each				
in Reliance Liquididty Fund - Growth	35,000,000		-	
in Franklin India Treasury Management Account -				
Super Institutional Plan -Growth	19,927,457		-	
15,924.833 (Previous Year NIL) of Rs.2197.8252 each				
in SBI Premier Liquid Fund -Growth	35,000,000		-	
12,68,125.131 (Previous Year NIL units) of				
Rs.27.5998 each in HDFC Liquid Plan - Growth	35,000,000		-	
Rs.100.0565 each in ICICI Liquid Fund Super IP Dir				
Daily Dividend Reinvest	35,011,013		54,089,926	
NIL(Previous Year 54061.560) of Rs.1000/- each in				
Reliance Liquidity Fund Dir Daily Dividend Reinvest	-		54,089,132	
NIL (Previous Year 8009.352) of Rs.1000/- each in				
Religare Liquid Fund - Dir Daily Dividend Reinvest	-		8,015,680	
in SBI Premier Liquid Fund - Direct Daily Dividend				
Reinvest	2,193		52,856,689	
NIL (Previous Year 16,023.647) of Rs.1000/- each in				
Templeton India TMA - Dir Daily Dividend Reinvest	-		16,040,866	
		159,940,663		185,092,293
Total	-	159,940,663	-	185,092,293
Total amount of unquoted Investments	Ī	159,940,663		185,092,293
Note :- Rs.19,927,457 are towards making payments of the				
deposits of members in future				

14. Trade receivables

	As at Ma	rch 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
(Unsecured and Considered Good unless otherwise stated)				
Debts Outstandng for a period exceeding six months	840,038		636,742	
Other Debts	8,203,993		65,535,337	
Less :- Provisions for doubtful debts	510,876	8,533,156	358,573	65,813,506
Total		8,533,156		65,813,506

15. Cash and bank balances

	As at Mai	rch 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
Cash and cash equivalent -				
Balance with Banks				
- In current accounts	23,920,162		295,897,511	
- Fixed Deposit with banks having maturity less than 3 months	300,000,000		300,000,000	
Cheques in hand	33,708		39,340	
Stamps in hand	239,965		239,965	
Cash on Hand	52,555		31,814	
		324,246,390		596,208,630
Other Bank Balances in Fixed Deposits *		426,977,569		734,594,606
* Includes: (A) Rs.4,977,569 (Previous Year Rs.4,594,606) earmarked towards the Investor Service Fund. (B) Under lien with Banks for Bank Guarantee- Rs.Nil (Previous Year Rs.250,000,000)				
(C) Deposits of Rs.Nil (Previous Year Rs.Nil) with maturity of more than 12 months.				
Note :- Fixed Deposits of Rs.686,000,000 are towards making payments of the deposits of members in future				
Total		751,223,959		1,330,803,236

16. Short term loans and advances

	As at Mar	ch 31, 2015	As at March	n 31, 2014
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good, unless otherwise stated)				
Advances to vendors	8,583,494		5,446,684	
Prepaid expenses	22,935,823		265,747,786	
Sundry Deposits	240,000		26,112	
Loans and advances to employees	674,675		1,464,919	
Others #	1,035,579		742,624	
Advance Income Tax (Net of Provision)	111,050,903		-	
		144,520,474		273,428,125
[# includes				
(a) Rs.866,570 (Previous Year Rs.567,000) balance with MCX Stock				
Exchange ESOP Trust] { Refer note 7.5}				
(b) Advances include Rs. Nil (Previous Year Rs.20,000/-) standing				
against a Director, in respect of sitting fees wrongly paid twice. The said				
amount has since been recovered.				
Total		144,520,474		273,428,125

17. Other Current Assets

	As at Ma	rch 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
Interest accrued on Fixed Deposits		42,009,725		84,949,263
Others		225,559		307,304
То	tal	42,235,284		85,256,567

18. Revenue from operations

	201	4-15	2013-14	
	Rupees	Rupees	Rupees	Rupees
Revenue from operations				
Sale of services -				
Transaction Fees		137,334,538		481,500,552
Other operating revenue -				
Membership Admission Fees		-		11,000,000
Processing Fees		17,348,000		487,260
Listing Fees		2,262,650		649,688
Annual Subscription Fees		-		18,633,336
Vsat connectivity income		4,090,668		4,461,664
Other connectivity charges		28,896,447		65,687,055
Data Feed Charges		7,077,154		5,982,640
Shared service cost recovered		139,110,448		317,214,228
RSA Hardware Token		253,159		1,472,110
Examination Fees		474,786		1,971,214
Others		6,557,427		9,209,060
	Total	343,405,277	Ī	918,268,806

19. Other income

	201	4-15	2013-14	
	Rupees	Rupees	Rupees	Rupees
Dividend from Non Trade Current Investments		10,835,121		15,568,149
Interest on Bank Deposits		83,947,618		171,921,548
Interest Income Others		157,864		6,147,033
Profit on sale of Current Investments (Net)		10,167,200		-
Profit on sale of assets		26,421		-
Rent		3,600,069		3,252,312
Exchange Difference		-		333,300
Miscellaneous Income		7,382		82,188
Tota	nl	108,741,675		197,304,530

20. Operating expenses

	2014-15		2013-14	
	Rupees	Rupees	Rupees	Rupees
Clearing and Settlement Charges		124,541,005		239,160,310
Technology Cost		227,213,301		708,758,077
Sebi Regulatory Fees		10,223,500		20,065,625
Vsat Connectivity Expenses		227,227		480,467
Internet Connectivity Charges		1,356,506		8,564,944
POP / NPN Charges		101,088,000		101,088,000
Co-Location Charges		29,873,596		61,062,477
Total		494,523,135		1,139,179,900

21. Employee benefits expense

	2014	4-15	2013-14		
	Rupees	Rupees	Rupees	Rupees	
Salaries, Allowances and Bonus	190,302,804		287,496,926		
Contribution to Provident Fund and other funds	12,965,664		14,099,552		
Staff Welfare and Other Amenities	2,131,653	205,400,121	2,451,232	304,047,710	
Tot	al	205,400,121		304,047,710	

22. Finance costs

	201	4-15	201	3-14
	Rupees	Rupees	Rupees	Rupees
Interest expenses		115,820		471,147
Total		115,820		471,147

23. Advertisement and Business Promotion Expenses

	20:	14-15	2013-14	
	Rupees	Rupees	Rupees	Rupees
Advertisement		310,025		127,971,177
Business Promotion Expenses		381,640		18,040,804
Incentive for Liquidity Enhancement Scheme		369,317		401,888,483
Sponsorships and Seminar		20,000		10,039,745
		1,080,982		557,940,209

24. Other expenses

	2014	4-15	201	3-14
	Rupees	Rupees	Rupees	Rupees
Rent		97,295,183		119,336,254
Repairs and Maintenance - Others		20,542,018		11,041,695
Insurance		3,026,618		4,644,298
Travelling and Conveyance		3,500,183		10,341,051
Communication Expenses		20,062,603		38,183,657
Legal and Professional Charges		16,565,619		115,749,421
Shared Service Cost		1,500,000		15,000,000
Membership and Subscription Fees		9,299,436		60,529,598
Directors Sitting Fees		2,534,000		4,245,000
Payment to Auditors :				
- Audit Fees	1,000,000		1,500,000	
- Other matters (Certification)	500,000		650,000	
- Reimbursement	-	1,500,000	-	2,150,000
Depletion in Value of Investments		150,000		-
Loss on Sale of Fixed Asset (net)		2,758,032		535,495
Wealth Tax		9,881		48,576
Exchange Rate Fluctuation (net)		236,713		-
ROC Fees		6,762,250		-
Miscellaneous Expenses		24,064,717		27,226,373
Total		209,807,253		409,031,418

25. Exceptional Items

	201	4-15	2013-14	
	Rupees	Rupees	Rupees	Rupees
Contribution to funds :				
- Contibution to Settlement Gurantee Fund	-		25,000,000	
- Contribution to Investor Protection Fund	-		2,500,000	
- Contribution to Investor Services Fund *	-	-	1,000,000	28,500,000
* Listing fees contribution by the Exchange.				
		-		28,500,000

26. Contingent Liability

Claims against the company not acknowledged as debts Rs.187.66 Lac (Previous Year Rs.187.66 Lac).

The Income tax department during assessment relating to assessment Year 2011-12 had directed the company to get the special audit done under Section 142 (2A) of the Income tax Act from the date of incorporation of the Company till assessment Year 2011-12. Pursuant to the findings, etc. the department has disallowed an amount of Rs.2041.23 Lac relating to the Assessment Year 2011-12 and reduced the losses to that extent. No orders are yet received by the Company relating to earlier years. The Company has filed an appeal against the order and expect the same to be favorable.

The company has entered into various contracts including long term contracts with a company towards software license and maintenance agreements etc. The continuance of these contract shall depend on the future running of the business including raising required resources for the same. Hence, the chances of termination of these contracts and the impact of the same on the financial statements including penalty and charges if any cannot be commented upon.

There are certain other cases going on in court on certain matters including for attachment of properties, etc., the impact of which is not ascertainable.

27. Metropolitan Stock Exchange Of India Ltd (MSEI) is a recognized stock exchange under Section 4 of the Securities Contracts Regulation Act, 1956 (SCRA). The Company's income mainly consists of transaction

charges on the volume generated on the exchange, membership & subscription fees, interest on fixed deposits and other investments. During the year, the revenue from the Currency Derivatives segment on account of regulatory restrictions and dampened market sentiment had got adversely effected resulting into losses for the year ended March 31, 2015 and net worth of the Company is Rs.114.36 Crores as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations).

The Company continued to prepare its financials statement on going concern basis in view of the following reasons:

- The Company with eminent Board members are spearheading the revival of the Exchange with a strong vision for implementing an alternative development model for the Indian securities market.
- Necessary steps has been taken to reduce the operating cost by discontinuing the Liquidity Enhancement Scheme with effect from April 10, 2014 and revisiting all such contracts to ensure that charges paid for infrastructure, software and software support contracts are comparable to those paid by other exchanges in similar line of business.
- Pursuant to the order passed by the Hon'ble Competition Appellate Tribunal (COMPAT) dismissing the appeal of National Stock Exchange(NSE) against the order of Competition Commission of India levying penalty for abusing its dominance in the market, the Company has filed an application for compensation under Section 53N of the Competition Act, 2002 before the Hon'ble COMPAT for recovery of an amount of Rs.856.99 Crores along with interest pedente lite in future at the rate of 18% till realization of the claim, from NSE in respect of losses and damages suffered on account of the unfair pricing practices under the Competition Act, 2002. The matter is listed for hearing before the Hon'ble COMPAT on July 22, 2015.
- The Company is in process of bringing out right issue in near future for developing business and to maintain its net worth at stipulated level.

All the above measures helped the Company in achieving the financial stability and meet SEBI minimum net worth requirement of Rs. 100 crore.

The Company expects increase in business volumes in coming year and also to start different segments which are currently not active. In view of the business plan placed for the current year as approved by the Board of Directors, and based on the revenue generation with an incremental effective growth on the net worth, currently the Company is confident of running as going concern and continue its business.

The Company has unutilized service tax credit of Rs. 35.17 crores as at March 31, 2015 (previous year Rs. 31.68 crores). As mentioned above, the Company expects improved revenue earnings in the future years and hence is of the view that the unutilized service tax credit will be fully utilized in future years and the same is considered as good for recovery.

Similarly, since the company is confident of improving its business and making profits in future years, no impairment testing is carried out with regard to its tangible and intangible assets.

- 28. In the earlier years, the Company entered into various one-sided long-term infrastructure, software and software support contracts exclusively with Financials Technologies (India) Limited (FTIL) (erstwhile promoter). During the March quarter ending 2014, the new management of the Company decided to review all such contracts to ensure that charges paid for infrastructure, software and software support contracts are comparable to those paid by other exchanges in similar line of business and has not provided an amount of 10.71 crores during year ended March-2014. This was based on a legal opinion received by the Company, which raised concern on the arm's length nature of these contracts. Accordingly a renegotiation was done for the expense towards technology cost and support services. Further, upon renegotiation an amount of Rs.11.05 Crores (net) relating to previous year has been charged to Statement of Profit and Loss in the Current Year and disclosed as Prior Period Adjustments vide Note No.40.
- 29. In the Financial year 2012-13, the Company recognized MAT credit entitlement under section 115 JB of Income Tax, Act 1961 amounting to Rs. 1.86 crore. In view of various measures taken by the management as listed in note # 27 above, the Company is of the view that it will be under normal income tax in future years and will be in the position to utilize this credit, it continued to carry the above MAT credit entitlement as an asset good for recovery.

30. The Company could not in some earlier years charge transaction fee in its Currency Derivatives Segment as its dominant competitor, National Stock Exchange of India Ltd. (NSE), was not charging the same. On the complaint of the Company, the Competition Commission of India (CCI) passed an order dated June 23, 2011 directing NSE to cease and desist from carrying on its unfair pricing policy and further levied a penalty of Rs. 55.50 crore on NSE. NSE had appealed against the said order before the Hon'ble Competition Appellate Tribunal (COMPAT), which vide its order dated August 5, 2014 upheld the order passed by the Hon'ble CCI and found NSE guilty of abusing its dominant position as it had indulged in anti-competitive practices.

NSE filed an appeal before the Hon'ble Supreme Court on September 16, 2014 against the order passed by the Hon'ble COMPAT. Subsequent to the appeal, an interim stay on the recovery of penalty amount was granted by the Hon'ble Supreme Court. The matter is listed for hearing before the Hon'ble Supreme Court on July 7, 2015.

Additionally, pursuant to the order passed by the Hon'ble COMPAT, the Company has filed an application for compensation under Section 53N of the Competition Act, 2002 before the Hon'ble COMPAT for recovery of an amount of Rs. 856.99 Crores along with interest pedente lite in future at the rate of 18% till realization of the claim, from NSE in respect of losses and damages suffered on account of the unfair pricing practices under the Competition Act, 2002. The matter is listed for hearing before the Hon'ble COMPAT on July 22, 2015.

31. Issue of shares

In the current year, the Company has issued 618,727,645 equity shares to various persons. Of the same, 605,029,269 shares have been issued by way of conversion of share warrants @ nominal value of Rs. 1 / share and 13,698,376 shares have been issued @ premium of Rs. 4 / share. Out of the above warrants, 562,460,000 warrants held by FITL were earlier decided by the board of directors of the company to be extinguished and transferred to capital reserve which were later revived and these warrants were converted into shares and allotted to the third parties named by FITL.

32. Change in useful lives of Tangible and Intangible Asset

During the period, the Company has aligned its depreciation policy in line with the useful lives as stated in the Companies Act, 2013 and has also reassessed the useful lives of its intangible assets by increasing the useful life of Computer Software from five year to ten years. This has resulted in decrease in losses by an amount of Rs.10.15 Crores. Further, the depreciation on assets which completed its useful lives has been debited to the General reserves amounting to Rs.21.10 lacs.

33. Earnings per share ('EPS')

(Amount in Rs. Except for number of Shares)

Particulars	2014-15	2013-14
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders	(601,221,426)	(1,545,320,739)
Weighted average number of equity shares outstanding during the year for basic EPS	675,929,407	539,252,400
Add-Shares Issued to ESOP Trust	5,133,430	5,433,000
Add- Shares on conversion of warrants	591,600,731	1,196,630,000
Weighted average number of equity shares outstanding during the year for diluted EPS	1,272,663,568	1,741,315,400
Basic earnings per share of face value Re. 1 each	(0.89)	(2.87)
Diluted earnings per share of face value Re. 1 each	(0.89)	(2.87)

The effects of conversion of warrants into equity shares and the shares allotted to the ESOP trust pursuant to the employee share based payment plan are anti-dilutive and accordingly not considered for the computation of diluted earnings per share.

34. Stock based compensation:

The Company with the authorization of its shareholders, framed the 'MCX Stock Exchange Employees Stock Option Scheme, 2009', which contemplated issue of ESOPs through the Trust route. Accordingly, 'MCX Stock Exchange ESOP Trust' was formed on November 13, 2009, as a trust.

Under the Scheme, the Compensation Committee of the Company shall decide, the options to be granted, the vesting schedule of the options to be granted and other incidental and consequential matters. The Trust shall be obliged to act on the instructions of the Compensation Committee.

a) On November 27, 2009 a total of 1,125,000 stock options (ESOP Round–I) have been granted under the Scheme. Details of the Options granted by the ESOP Trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
	371,250	Re.1	December 1, 2010	Upto December 1, 2011
November 27, 2009	371,250	Re.1	December 1, 2011	Upto December 1, 2012
	382,500	Re.1	December 1, 2012	Upto December 1, 2013

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1 each at par. Exercise period for each option is as stated above.

b) On March 20, 2012 a total of 4,055,100 stock options (ESOP Round–II) have been granted under the Scheme. Details of the Options granted by the ESOP Trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
	1,338,183	Rs. 2.10	March 20, 2013	Upto March 20, 2014
March 20, 2012	1,338,183	Rs. 2.10	March 20, 2014	Upto March 20, 2015
	1,378,734	Rs. 2.10	March 20, 2015	Upto March 20, 2016

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1 each at Rs. 2.10. Exercise period for each option is as stated above. The maximum exercise period for 1,950,000 options granted to twelve employees is being extended to five years from the date of vesting. Same was approved by shareholders at Annual General Meeting held on September 28, 2013.

c) On November 1, 2012 a total of 553,250 stock options (ESOP Round – III) have been granted under the scheme. Details of the Options granted by the ESOP trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
	182,571	2.35	November 1, 2013	Upto November 1, 2014
November 1, 2012	182,574	2.35	November 1, 2014	Upto November 1, 2015
	188,105	2.35	November 1, 2015	Upto November 1, 2016

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1/- each at Rs. 2.35/-. Exercise period for each option is as stated above. The maximum exercise period for 403,000 options granted to five employees is being extended to five years from the date of vesting which was approved by shareholders at Annual General Meeting held on September 28, 2013.

d) On March 12, 2013 a total of 145,800 stock options (ESOP Round – IV) have been granted under the scheme. Details of the Options granted by the ESOP trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
	48,113	3.95	March 12, 2014	Upto March 12, 2015
March 12, 2013	48,115	3.95	March 12, 2015	Upto March 12, 2016
	49,572	3.95	March 12, 2016	Upto March 12, 2017

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1/- each at an exercise price of Rs. 3.95. Exercise period for each option is as stated above.

Particulars	ESOP 2009 Round-I (Nos.)	ESOP 2009 Round-II (Nos.)	ESOP 2009 Round-III (Nos.)	ESOP 2009 Round-IV (Nos.)
Outstanding at the start of the year	NIL	1,739,236	507,959	62,150
Granted during the year	NIL	NIL	NIL	NIL
Forfeited/Lapsed during the year	NIL	452,189	104,311	57,359
Exercised during the year	NIL	319,833	NIL	NIL
Outstanding at the end of the year	NIL	967,214	403,648	4,791
Exercisable/vested at the end of the year	NIL	299,960	13,795	2,360

The particulars of number of options granted and lapsed under the Scheme are tabulated below:

Other disclosures

Particulars	ESOP 2009 Round-I	ESOP 2009 Round -II	ESOP 2009 Round-III	ESOP 2009 Round -IV
The intrinsic value per option	NIL	NIL	NIL	NIL
The estimated fair value per share	1.15	1.55	1.79	1.79
The estimated fair value per option	0.15	0.25	0.003	0
Date of option granted	November 27,2009	March 20,2012	November 1, 2012	March 12, 2013

The fair values have been determined using Black-Scholes Model considering the following parameters:

Particulars	ESOP 2009 (Round-I)	ESOP 2009 (Round-II)	ESOP 2009 (Round-III)	ESOP 2009 (Round-IV)
(i) Fair Value of share at grant date	Re.1	Rs. 1.55	1.79	1.79
(ii) Exercise price	Re.1	Rs.2.10	2.35	3.95
(iii)Expected volatility	1%	1%	1%	1%
(iv) Option Life	2 Years	2 Years	2 Years	2 Years
(v)Expected Dividends	Expected Dividends have not been taken into consideration since the company has commenced operations in August 2008 and has been incurring losses ever since.	Expected Dividends have not been taken into consideration since the company has commenced operations in August 2008 and has been incurring losses ever since.	The Company has made loss in this financial year and does not intend to propose any dividend for the financial year 2014-15.	The Company has made loss in this financial year and does not intend to propose any dividend for the financial year 2014-15
(vi) Risk free interest rate	8.00%	8.75%	9.00%	9.00%

(vii) To allow for the effects of early exercise, it is assumed that the employee would exercise the options after vesting date.

As per the management estimate the loss of the Company for the year would have been higher by Rs. 13,582 (and Previous Year loss would have been higher by Rs. 34,667) had the Company accounted the employee share-based payment using the fair value method. There is no material impact on the earnings per share.

Note:

- 1. A loan of Rs. 1,049,970/- was taken for acquiring 677,400 Equity Shares of Re.1/- each at a valuation of Rs. 1.55/- per share for funding the acquisition of shares in respect of options to be granted to the non-executive directors of MCX-SX and the employees and directors of its subsidiary MCX-SX CCL.
- 2. The total number of options lapsed as on March 31, 2015 are as follows:-

Round I	Round II	Round III	Round IV	Total
420,000	2,669,053	149,602	141,009	3,379,664

As per Clause 4.1 of ESOP Scheme 2009, the aforesaid Forfeited/lapsed stock options under this scheme can be granted to other employees including new employees by the Trust in accordance with the directions of the Compensation Committee given at its absolute discretion.

3. In the previous years under Round I, 705,000 shares were added in the ESOP Trust which was granted to the Directors and was exercised by them.

35. Employee Benefits

The disclosures as per Accounting Standard - 15 (AS-15) "Employee Benefits" are given below:

Defined Contribution Plan:

Provident Fund - The Company makes contribution towards provident fund as a specified percentage of the payroll cost to Regional Provident Fund Commissioner managed by the Employees' Provident Fund Organization, India. There are no other obligations other than the contribution payable to said fund.

Contribution to Defined Contribution Plan, recognised as expenses in the Statement of Profit & Loss for the year is as under:

(Amount in Rs.)

Particulars	2014-15	2013-14
Employer's Contribution to Provident Fund	6,866,363	11,923,799

Defined benefit plan:

Gratuity: The gratuity is payable to all members at the rate of 15 days salary for each year of service.

The scheme is funded with an insurance company in the form of qualifying insurance policy. The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2015 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2015.

I. Changes in the present value of the Defined Benefit Obligation representing reconciliation of opening and closing balances thereof are as follows:

(Amount in Rs.)

Particulars	Grat	Gratuity		
Particulars	2014-15 (Funded)	2013-14 (Funded)		
Defined Benefit Obligation at the beginning of the year	15,796,074	19,938,071		
Current Service cost	3,375,238	4,450,967		
Interest Cost	1,470,614	1,644,891		
Liability transfer in	1,174,491	64,696		
Liability transfer out	(395,789)	(876,828)		
Actuarial (gain) / loss	2,011,518	(2,609,910)		
Benefits paid	(12,622,041)	(6,815,813)		
Defined Benefit obligation at the end of the year	10,810,105	15,796,074		

II. Reconciliation of opening and closing balance of the Fair value of Plan Assets-

Particulars	2014-15	2013-14
Fair Value of Plan Assets at the beginning of the year	13,113,588	16,660,325
Expected Return On Plan Assets	1,220,875	1,449,448
Contribution during the year	6,908,425	2,697,352
Transfer From Other Company	1,174,491	64,696
Transfer To Other Company	(395,789)	(876,828)
Benefit Paid From The Fund	(12,622,041)	(6,815,813)
Actuarial Gains/(Losses) On Plan Assets	(456,038)	(65,592)
Fair Value of Plan Assets at the end of the year	8,943,511	13,113,588

III. The amount recognized in the statement of Profit & Loss is as follows:

(Amount in Rs.)

Particulars	Gratuity		
Particulars	2014-15 (Funded)	2013-14 (Funded)	
Current service cost	3,375,238	4,450,967	
Interest Cost	249,739	1,644,891	
Expected return on plan assets	-	(1,449,448)	
Actuarial (gain) / loss	2,467,556	(2,544,318)	
Net expenses	6,092,533	2,102,092	

IV. Experience Adjustments in Actuarial (gain) / loss

(Amount in Rs.)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Gratuity					
Plan Assets	(456,038)	(1,050,453)	262,380	3,978	-
Plan Liabilities	254,425	(65,592)	3,668,404	1,049,773	1,234,055

V. Reconciliation of fair value of assets and obligation *Gratuity*

(Amount in Rs.)

Particulars		As at				
rai (iculai s	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	
Fair value of Plan assets	8,943,511	13,113,588	16,660,325	7,616,648	-	
Present Value of obligation	10,810,105	15,796,074	19,938,071	12,483,708	6,647,324	
(Asset) / Liability recognized in Balance sheet	1,866,594	2,682,486	3,277,746	4,867,060	6,647,324	

VI. Principal actuarial assumptions at the Balance sheet date:

(Amount in Rs.)

Particulars	Gratuity As at		
rafticulars	March 31, 2015	March 31, 2014	
Mortality Table(LIC)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	
Discount rate (per annum)	8.00%	9.31%	
Rate of escalation in salary (per annum)	7.50%	7.50%	

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The company has taken a Gratuity Policy with Life Insurance Corporation of India, the funds of which are managed by Life Insurance Corporation of India. Therefore the composition of investments is not ascertainable.

36. Segment reporting

Primary segment

The Company considers business segment (business of facilitating trading in currency, equity cash, equity derivatives, debt, interest rate futures and incidental activities thereto) as its primary segment considering the risks and rewards of the services offered, nature of services, management structure and system of financial reporting. In the opinion of the management, the Company has only one reportable business segment, in accordance with requirements of AS-17 "Segment Reporting", the results of which are disclosed in the financial statements.

Secondary segment

The Company operates only in India and has no geographical segment. On that basis, no secondary segment information is furnished.

37. Related party information

a) Names of related parties and nature of relationship:

The disclosures regarding related parties as required by Accounting Standard ('AS') 18 "Related Party disclosures" issued by the Companies (Accounting Standards) Rules, 2006 ('the Rules') are as under:

- (i) Subsidiary
 - MCX-SX Clearing Corporation Limited (MCX-SX Clear)
 - MCX-SX KYC Registration Agency Limited(MCX-SX KYC)
- (ii) Key Management Personnel (KMP)
 - Mr. Joseph Massey (MD & CEO) upto October 09, 2013
 - Mr. U. Venkataraman (Whole time director) up to February 14, 2014.
 - Mr. Saurabh Sarkar (MD & CEO) w.e.f. February 01, 2014.
 - Mr.Vikas Phadke (CFO) w.e.f October 07,2014
 - Mr.Sarat Chandran (Company Secretary) from April 01, 2014 till January 21, 2015.
- (iii) Others
 - MCX-SX ESOP Trust

b) Details of transactions with related parties

(Amount in Rs.)

Nature of Transaction	MCX-SX KYC Registration Agency Limited (Subsidiary)	MCX-SX Clearing Corporation Limited (Subsidiary)	ESOP Trust (Others)
Clearing and settlement charges	-	124,541,005	-
	(-)	(239,160,310)	(-)
Rent income	-	3,600,068	-
	(-)	(3,252,312)	(-)
Shared service cost recovered	-	139,110,448	-
	(-)	(317,214,226)	(-)
Shares allotted to ESOP Trust	-	-	-
Shares anotted to ESOP Trust	(-)	(-)	(127,500)
Sale of fixed assets	-	-	-
Sale of fixed assets	(-)	(1,114,345)	(-)
Advance recoverable in cash or in kind for	-	1,111,782	-
value to be received	(-)	(45,411,851)	(-)
Closing Balance of Investments in equity	500,000	127,500,000	-
shares	(500,000)	(127,500,000)	(-)
Contribution towards settlement	-	-	-
guarantee fund (SGF)	(-)	(25,000,000)	(-)
Clasica Dalamas of Lasa to ECOD To at	-	-	6,000,000
Closing Balance of Loan to ESOP Trust	(-)	(-)	(6,000,000)
	-	-	-
Bank guarantee given	(-)	(250,000,000)	(-)

c) Transactions with KMP:

Sr. No.	Nature of transactions	Amount (Rs.)
1.	Salary & allowances*:	
	Mr. Joseph Massey	-
		(13,589,163)
	Mr. Saurabh Sarkar	18,158,541
	Wil. Saurabii Sarkai	(2,890,070)
		(,===,==,
	Mr. Vikas Phadke	1,720,543
		(-)
	Mr. Sarat Chandran	3,636,918
	Wir. Sarat Chanaran	(4,067,388)
2.	ESOP Granted	Nos.
2.	Mr. Joseph Massey	NO3.
	Opening balance	-
		(1,000,000)
	Add: Options granted	-
	Lacar Franciscal district the second	(-)
	Less: Exercised during the year	- (-)
		(-)

Sr. No.	Nature of transactions	Amount (Rs.)
	Less: Lapsed during the year	- (1,000,000)
	Closing Balance	- (-)
	Mr. U. Venkataraman	
	Opening balance	-
		(250,000)
	Add: Options granted	-
	Local Eversiand during the year	(-)
	Less: Exercised during the year	- (-)
	Less: Lapsed during the year	-
		(250,000)
	Closing Balance	-
		(-)

^{*}Excludes gratuity and long term compensated absences which are actuarially valued and where separate amounts are not identifiable.

- Related party relationship is as identified by the Company and relied upon by the auditors.
- II. There are no amounts written off or written back in the year in respect of debts due from or to related parties.
- III. Figures in bracket represent previous year's amounts.
- IV. The transactions with the related parties are disclosed only till the relation exists.
- V. Transaction charges collected by MCX-SX Clearing Corporation Limited on behalf of the company and paid to the company have not been considered for the aforesaid disclosure.

38. Operating lease

The Company has entered into operating lease agreements for its office premises.

a) The minimum lease rentals on operating leases recognized in the statement of Profit & Loss and the future minimum lease payments under operating leases are as follows:

(Amount in Rs.)

Particulars	As at				
	March 31, 2015	March 31, 2014			
Future minimum lease payments					
Not later than one year	56,522,375	75,322,880			
Later than one year and not later than five years	121,414,147	176,226,117			
Later than five years	-	-			

- b) Total future minimum sub-lease payments expected to be received under subleases is Rs. 8,827,940 (Previous Year Rs. 1,355,130).
- c) Lease payments recognised in the statement of Profit & Loss is Rs. 97,295,183 (Previous year Rs. 119,336,254).
- d) Sub-lease payment received and recognised in the statement of Profit & Loss is Rs 3,600,068 (Previous Year Rs. 3,252,312).

39. Deferred Tax Asset/Liability

As required by Accounting Standard-22 (AS-22) on "Accounting for Taxes on Income" Deferred Tax comprises of the following items:

(Amount in Rs.)

Particulars	As at					
Particulars	March 31, 2015	March 31, 2014				
Deferred Tax Assets						
Disallowance under the Income Tax Act, 1961	81,430,422	3,281,573				
Unabsorbed depreciation	199,877,205	199,677,872				
Deferred Tax Liability						
Related to fixed assets	191,448,099	157,845,904				
Net Deferred tax asset/(liability)	89,859,529	45,113,541				

In the absence of virtual certainty that surplus taxable income will be available against which the Deferred Tax Asset can be realized, the same has not been recognized in the books of account in line with AS-22 dealing with "Accounting for Taxes on Income".

40. Following prior period expenses/incomes have been debited or credited to the respective heads of account in the statement of Profit & Loss :

(Amount in Rs.)

Particulars	2014-15	2013-14
Prior Period Expenses:	·	
Technology Cost	85,886,481	-
Co-Location Charges	3,077,970	-
Miscellaneous Expenses	4,429,375	-
Legal and Professional Charges	1,103,000	-
Shared Service Cost	1,500,000	-
Clearing and Settlement Charges	25,948,980	-
Office Rent	11,169,770	2,719,062
Electricity Charges	-	914,508
Software Support Charges	-	2,770,274
Total Prior Period Expenses	133,115,576	6,403,844
Less :- Prior Period Income		
Shared service cost recovered	22,564,330	-
Net Prior Period Exp.	110,551,246	6,403,844

41. Expenditure in foreign currency

(Amount in Rs.)

Particulars	2014-15	2013-14
Legal and professional charges	-	9,256,914
Sponsorship expenses	-	902,412
Membership	247,232	89,908
Others	5,113,302	541,778

42. Details of dues to micro, small and medium enterprises

As per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 the amounts due to the Micro, Small and Medium Enterprises on the basis of the information available with the Company regarding the status of suppliers are as under:

Sr. No	Particulars	As at March 31,2015	As at March 31, 2014
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

- 43. Securities and Exchange Board of India's (SEBI) letter dated December 26, 2013 requires the Company to transfer 25% of its profit of every year to the Settlement Guarantee Fund (SGF) of the recognised clearing corporation(s) which clears and settle trades executed on that exchange in accordance with clause 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2012. The company has now allocated its existing contribution to SGF of MCX-SX Clearing Corporation Ltd. to different segments as against the amount transferable under regulation 33, as permissible in terms of SEBI circular no. CIR/MRD/DMNRP/25/2014 dated August 27, 2014. The company has informed the same to SEBI vide its letter dated November 28, 2014.
- **44.** The Board at its meeting held on February 13, 2014 took note of the fact that Multi Commodity Exchange of India Ltd & FTIL were not promoters of the Exchange and decided that they should not be classified as promoters or promoter group in future filings of the Exchange.
- **45.** In terms of SEBI's order dated March 19, 2014 wherein FTIL was declared as not fit and proper person to acquire or hold any equity share or any instrument that provide for entitlement for equity shares or rights over equity shares at any future date in a recognized stock exchange or clearing corporation either directly or indirectly and was directed to:-
 - FTIL shall divest the equity shares and/or any instrument that provide for entitlement for equity shares or rights over equity shares at any future date held by it directly or indirectly inter alia in MCX-SX within 90 days from the date of this order through sale of shares and/or instruments and
 - FTIL and entities through whom it indirectly holds equity shares or any instrument entitling voting rights
 inter alia in MCX-SX shall cease to be entitled to exercise voting rights in respect of those shares or
 instruments with immediate effect.

Accordingly, FTIL transferred its entire 27,165,000 equity shares and 562,460,000 warrant held in Metropolitan Stock Exchange of India Limited (erstwhile MCX Stock Exchange Limited) to 15 third parties. The aforesaid warrants transferred by FTIL to 15 third parties have been exercised into Equity Shares. As on March 31, 2015, FTIL has completely exited from the Exchange.

As on March 31, 2015 Multi Commodity Exchange of India Limited (MCX) exercised 21,046,514 warrants into Equity Shares. Further, it transferred 21,522,755 warrants to IL&FS which was exercised into Equity Shares by IL&FS.

Post March 31, 2015, MCX exercised additional 10,957,894 warrants into Equity Shares and transferred additional 9,017,227 warrants to IL&FS which was also exercised into Equity Shares.

Hence, SEBI's letter dated July 10, 2012 which required Multi Commodity Exchange of India Ltd. (MCX) and Financial Technologies (India) Ltd. (FTIL) to bring down their joint shareholding in the Company within 5%

limit as mentioned in the SECC Regulations within 18 months from the date of the letter with respect to FTIL divestment has been complied with.

MCX has time till June 20, 2015 to bring down their remaining warrants holding in the Exchange.

- **46.** Balances grouped under Non Current and Current Liabilities and Non-Current and Current Assets in certain cases are subject to confirmation and reconciliation from respective parties. Impact of the same, if any, shall be accounted as and when determined.
- **47.** The Company does not have a whole time Company Secretary as per Section 203(1) of the Companies Act 2013.
- **48.** The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date

For T R Chadha & Co Chartered Accountants Firm Reg.No-006711N For and on behalf of the Board of Directors of **Metropolitan Stock Exchange Of India Limited** (Formerly known as MCX Stock Exchange Limited)

Vikas Kumar Partner M. No. - 75363 **Thomas Mathew T.** Chairman

Saurabh Sarkar Managing Director & CEO

Place : Mumbai Date : May 29, 2015 Vikas Phadke

Chief Financial Officer

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries / associate companies / joint venture

Part "A": Subsidiaries

(Amount in Lacs)

Sr. No	Name of the subsidiary	Reporting currency		Reserves & surplus	Total Assets	Total Liabilities	Investments (Current)	Turnover- Total Revenue	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of shareholding
1.	Metropolitan Clearing Corporation of India Ltd. (Formerly known as MCX-SX Clearing Corporation Ltd.)	INR	2,500	455.59	11517.58	11517.58	4249.06	1751.42	137.67	Nil	137.67	Nil	51%
2.	MCX-SX KYC Registration Agency Ltd.	INR	5	(1.47)	3.61	3.61	Nil	Nil	(0.44)	Nil	(0.44)	Nil	100%

- 1. Name of subsidiaries which are yet to commence operations: MCX-SX KYC Registration Agency Ltd.
- 2. Name of subsidiaries which have been liquidated or sold during the year- None

PART "B"

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Venture- **Not Applicable**

INDEPENDENT AUDITOR'S REVIEW REPORT

THE MEMBERS OF METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

(FORMERLY KNOWN AS MCX STOCK EXCHANGE LIMITED)

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial statements of Metropolitan Stock Exchange of India Limited (erstwhile MCX Stock Exchange Limited) (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Basis of Qualified Opinion:

- a. Refer Note no.28 of Notes to the consolidated accounts of the Company, the Holding Company continues to prepare its Financial Statements on going concern basis, even though its net-worth has been substantially eroded due to losses incurred during the previous year(s) and in the current period and there is no confirmation on required funding to the Company for its continued business. The Company is however confident of raising funds, increase volume and make profits in future years and hence prepared the accounts on going concern basis including not carrying out the impairment testing to ascertain carrying value of fixed assets, etc. and also the sum of Rs.35.17 Crores and Rs.1.86 Crores towards Service tax set-off and MAT Credit is considered as recoverable. We are unable to comment on the adjustments, if any, that will be arising out of the same.
- b. Refer Note no.29 of Notes to the consolidated accounts; the Holding Company, in the earlier years, entered into various contracts with the parties mentioned in the register maintained under Section 301 of the Companies Act, 1956 to whom amounts have been paid as Infrastructure, software and software support charges during the said years in respect of which no alternative quotations are / were available. As informed by the Management, they have already renegotiated few of such contracts and are in the process of reviewing other such contracts / charges to establish their reasonableness for similar line of business. We are unable to comment on the adjustments, if any, that will be arising out of such review.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect of the matters described in the Basis for Qualified Opinion Paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2015 and their consolidated loss and its cash flows for the year ended on that date.

Emphasis of Matter

- a. Note No.33 of the Notes to consolidated Accounts, during the year, the Group has aligned its depreciation policy in line with the useful lives as stated in the Companies Act, 2013 and has also reassessed the useful lives of its intangible assets by increasing the useful life of Computer Software from five years to ten years. The same has resulted in lower charging of depreciation of Rs.10.16 Crores for the period. Further, the depreciation on assets which completed its useful lives has been debited to the General reserves amounting to Rs.21.75 Lac.
- b. Note No.35 of the Notes to consolidated Accounts; Securities and Exchange Board of India's (SEBI) letter dated December 26, 2013 requires the Holding Company to transfer 25% of its profit of every year to the Settlement Guarantee Fund (SGF) of the recognized clearing corporation(s) which clears and settle trades executed on that exchange in accordance with clause 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2012. The Company has now allocated its existing contribution to SGF of MCX-SX Clearing Corporation Ltd. to different segments as against the amount transferable under regulation 33, as permissible in terms of SEBI circular no. CIR/MRD/DMNRP/25/2014 dated August 27, 2014. The Company has informed the same to SEBI vide its letter dated November 28, 2014.

c. Note No.45 of the Notes to consolidated Accounts, based on a SEBI order affirmed by the Security Appellate Tribunal (SAT), the Company has decided to treat the warrants held by FTIL as extinguished and of no effect whatsoever on account of their continuance to hold the same post lapse of the time limits specified by SEBI/SAT. Consequently, the Company has transferred an amount of Rs.56.25 Crores standing as Non Refundable Interest Free Deposits against Warrants issued to Financial Technologies India Limited (FTIL), erstwhile promoter, to the Capital Reserve during the year. As per the above referred SEBI Order, M/s FTIL has been declared not a "Fit and Proper Person" to hold any share including instrument that provides entitlement for equity shares of the Company and the timeline provided by SEBI and extended timeline provided by SAT to divest the aforesaid warrants has been expired. Further, the voting rights associated with the equity shares held by M/s FTIL have been extinguished. FTIL has disputed the extinguishment of the warrants. With respect to above, FTIL has sold these warrants thereafter and company has allotted 56,24,60,000 shares amounting Rs.56.25 Crores during the year itself and accordingly, the amount was transferred form capital reserve to share capital, thus FTIL has completely divested its equity and warrants holding in the Exchange during the current financial year.

Our report is not modified in respect of the aforesaid para.

Other Matter

We did not audit the financial statements of MCX-SX Clearing Corporation Limited and MCX-SX KYC Registration Agency Limited, subsidiaries whose financial statement / financial information reflect total asset of Rs. 11,521.19 Lakh as at 31st March, 2015, total revenues of Rs. 1,751.42 Lakh and net Cash Flows (Out flow) amounting to Rs. 131.20 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

For T R Chadha & Co. Chartered Accountants Firm Registration No. 006711N

Place: Mumbai Date: 29th May '15 **Vikas Kumar** Partner Membership No. 75363

Audited Consolidated Balance sheet as at March 31, 2015

	Note	As at Mar	ch 31,2015	As at Mare	As at March 31,2014		
Equity and Liabilities							
Shareholders' Fund							
Share capital	3	1,158,279,615		539,252,400			
Reserves and surplus	4	244,815,357		777,930,454			
Non Refundable Interest Free Deposits Against Warrants	5	591,600,731		1,196,630,000			
			1,994,695,703		2,513,812,854		
Share application money pending allotment			-		271,650,000		
Minority Interest	6		144,823,972		138,141,233		
Non-Current Liabilities							
Other long-term liabilities	7	280,737,945		365,334,497			
Long Term Provisions	8	884,574		928,708			
			281,622,519		366,263,205		
Current Liabilities							
Trade payables	9	45,498,188		135,479,102			
Other current liabilities	10	1,253,683,875		1,338,740,235			
Short term provisions	11	7,597,937	1,306,780,000	11,927,480	1,486,146,817		
Total	l		3,727,922,194		4,776,014,110		
Assets							
Non-Current Assets							
Fixed Assets	12						
Tangible assets		234,949,789		254,898,462			
Intangible assets		593,099,859		655,161,606			
Intangible asset under development		5,000,000		7,138,256			
Capital work in progress		-		16,147,624			
Long term loans and advances	13	715,810,311		469,118,156			
			1,548,859,958		1,402,464,104		
Current Assets							
Current investments	14	584,846,623		495,331,645			
Trade receivables	15	7,421,373		20,401,655			
Cash and bank balances	16	1,350,514,294		2,173,622,104			
Short term loans and advances	17	172,605,095		553,847,103			
Other current assets	18	63,674,851		130,347,501			
			2,179,062,236		3,373,550,007		
Total	l		3,727,922,194		4,776,014,110		

Notes on Financial Statements

As per our report of even date

cial Statements 1 - 48

For T R Chadha & Co Chartered Accountants Firm Reg.No-006711N For and on behalf of the Board of Directors of **Metropolitan Stock Exchange Of India Limited** (Formerly known as MCX Stock Exchange Limited)

Vikas Kumar Thomas Mathew T. Saurabh Sarkar

Partner Chairman Managing Director & CEO

M. No. - 75363

Place : Mumbai Vikas Phadke

Date : May 29, 2015 Chief Financial Officer

Audited Consolidated Statement of Profit and Loss for the year ended March 31, 2015

	Note	2014-15	2013-14
Income			
Revenue from operations	19	204,392,329	601,204,578
Other income	20	181,594,495	329,358,408
Total Revenu	е	385,986,824	930,562,986
Expenditure			
Operating expenses	21	369,982,131	900,019,590
Employee benefits expense	22	236,726,342	344,049,629
Finance costs	23	117,851	471,147
Advertisement and Business Promotion Expenses	24	1,080,983	557,940,209
Depreciation and amortisation expense	12	144,021,709	222,560,038
Other expenses	25	221,406,325	421,085,714
Total Expense	es	973,335,341	2,446,126,326
Profit / (Loss) before exceptional items and tax		(587,348,517)	(1,515,563,340)
Exceptional items	26	-	28,500,000
Profit / (Loss) before tax		(587,348,517)	(1,544,063,340)
Less: Provision for taxation			, , , , ,
- Income Tax		_	-
Profit / (Loss) for the year before minority interest		(587,348,517)	(1,544,063,340)
Less : Minority Interest in income / (loss)		6,745,810	625,765
Profit / (Loss) for the year after Minority Interest		(594,094,327)	(1,544,689,104)
Basic (in Re.)	36	-0.87	-2.86
Diluted		-0.87	-2.86

Notes on Financial Statements 1 - 48

As per our report of even date

For T R Chadha & Co Chartered Accountants Firm Reg.No-006711N For and on behalf of the Board of Directors of **Metropolitan Stock Exchange Of India Limited** (Formerly known as MCX Stock Exchange Limited)

Vikas KumarThomas Mathew T.Saurabh SarkarPartnerChairmanManaging Director & CEO

M. No. - 75363

Place : Mumbai Vikas Phadke
Date : May 29, 2015 Chief Financial Officer

Audited Cash Flow Statement for the year ended March 31, 2015

		201		2013-14		
		201	4-15	201	3-14	
ı	Cash flow from Operating Activities		(======================================		(4 = 44 050 040)	
1	Net Profit / (Loss) before tax as per Statement of Profit and Loss		(587,348,517)		(1,544,063,340)	
	Adjustments for Depreciation/Amortisation	144,021,709		222,560,038		
	Depreciation on Assets whose useful life has expired as at 31-03-14	(2,175,180)		222,300,038		
	Dividend from Investments	(37,644,040)		(58,442,304)		
	Net Prior Year Adjustments	107,166,596		6,403,844		
	Unrealised Exchange Rate fluctuation	-		1,192		
	Interest Income	(133,742,914)		(266,584,114)		
	Finance Costs	117,851		471,147		
	Loss on sale of Fixed Asset (net)	3,499,213		535,495		
	Provison for doubtful debts	152,303		358,573		
	Profit on sale of investments (net)	(10,173,738)		(3,349,395)		
	Excess Provision for Gratuity Written Back	-		(216,705)		
	Excess Provision for Bonus Written Back	-		(350,401)		
	Contribution towards funds and interest accrued thereon (Refer Note 29)	-		26,509,221		
	Operating profit/ (loss) before working capital changes		(516,126,717)		(1,616,166,750)	
	Adjustments for Trade and other receivables	217,620,910		(145,102,463)		
	Trade and other receivables Trade and other payables	(245,333,339)		(582,496,846)		
	Trade and other payables	(243,333,339)	(27,712,429)	(382,430,840)	(727,599,309)	
	Cash generated from/(used in) operations		(543,839,146)		(2,343,766,059)	
	Net Prior Year Adjustments		(107,166,596)		(6,403,844)	
	Less: Taxes paid		(70,161,337)		(65,648,375)	
	Net cash generated from/(used in) operating activities		(721,167,079)		(2,415,818,278)	
	Cash flow from Investing Activities					
	Purchase of Fixed Assets (including Capital Work In Progress)		(69,721,015)		(245,045,033)	
	Sale of Fixed Assets		7,321,444		3,618,377	
	Loss on sale if Fixed Asset		(3,499,213)		l	
	Purchase of current investments		(1,788,166,607)		(2,640,893,929)	
	Sale of current investments		1,698,651,630		2,967,077,680	
	Income from Current Investments		47,817,778		15,568,149	
	Fixed deposit placed with banks (having maturity of more than 3 months)		(726,977,569)		(563,594,597)	
	Interest earned on Core SGF fund (credited to CSGF)		8,360,905			
	Fixed deposit matured (having maturity of more than 3 months)		1,265,003,061		1,919,350,633	
	Interest received (net of accrued interest)		200,333,819		287,399,112	
	Net cash generated from/(used in) Investing Activities		639,124,233		1,743,480,391	
C.	Cash flow from Financing Activities					
	Finance Costs		(117,851)		(471,147)	
	Share application money received/refunded		(271,650,000)		271,650,000	
	Proceeds from issuance of shares		13,698,376		-	
	Issue of Shares to Employees by ESOP trust from Loan shares		299,570		-	
	Receipt/(Distribution) from/to Minority Shareholders		(63,071)		-	
	Secuity premium collected		54,793,504		-	
	Net Cash Generated from Financing Activities		(203,039,472)		271,178,853	
	Net Increase in Cash and Cash Equivalents		(285,082,318)		(401,159,034)	
	Cash and Cash Equivalents at Beginning of the Year		615,997,942		1,017,156,976	
	(Refer note 19)					
	Cash and Cash Equivalents at End of the Year (Refer note 19)		330,915,624		615,997,942	
	Add : Fixed Deposits held for more than three months		1,019,598,670		1,557,624,162	
	Closing Cash and Bank Balance as per Note 19		1,350,514,294		2,173,622,104	

Notes to Cash Flow Statement:

- 1. The Cash Flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 (AS 3)" Cash Flow Statement" issued by the Companies (Accounting Standards) Rules, 2006.
- 2. Figures in brackets represent cash outflows.

ANNUAL REPORT 2014-15 | Consolidated Financials

As per our report of even date

For T R Chadha & Co Chartered Accountants Firm Reg.No-006711N For and on behalf of the Board of Directors of Metropolitan Stock Exchange Of India Limited (Formerly known as MCX Stock Exchange Limited)

Vikas Kumar

Partner (M. No. – 75363)

Thomas Mathew T. Chairman

Saurabh Sarkar

Managing Director & CEO

Place : Mumbai Date : May 29, 2015 Vikas Phadke

Chief Financial Officer

1. Significant Accounting Policies

1.1 Principles of Consolidation

The consolidated financial statements relate to Metropolitan Stock Exchange of India Limited (MSEI) (erstwhile MCX Stock Exchange Ltd.) ('the Holding Company') and its subsidiaries MCX – SX Clearing Corporation Ltd. and MCX – SX KYC Registration Agency Ltd (the Holding Company and its subsidiaries together referred to as "the Group"). The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Holding Company and its subsidiary companies are combined on a line-byline basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements"
- The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiaries.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Holding Company.
- Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the
 consolidated balance sheet separate from liabilities and the equity of the Holding Company's
 shareholders.

1.2 Basis of preparation of financial statements

The consolidated financial statements have been prepared under the historical-cost convention on accrual basis, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), provision of the Companies Act, 2013 and Accounting Standards (AS) notified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

1.3 Use of estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of consolidated financial statements, the reported amount of revenues and expenses during the reporting period and disclosure of contingent liabilities on the date of the consolidated financial statements. Management believes that the assumption and estimates used in preparation of the consolidated financial statement are prudent and reasonable based upon their evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from those estimates and assumptions used in preparing the accompanying consolidated financial statements. Adjustments, if any, are prospectively made.

1.4 Tangible Fixed assets

Tangible Fixed assets are stated at cost of acquisition net of recoverable taxes less accumulated depreciation and impairment loss, if any. Cost includes all expenses incidental to the acquisition of the fixed assets and any attributable cost of bringing the asset to its working condition for its intended use.

Assets which are not ready for their intended use are shown as Capital Work in Progress.

1.5 Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any.

1.6 Depreciation

Depreciation on Tangible Fixed assets is provided on straight line method by considering the revised useful lives as specified in Part 'C" of Schedule II to the Companies Act, 2013, which is also estimated as useful lives by the management. The same is as given below:-

Sr. No	Classification of an asset	Useful life as per new Companies Act 2013 (Years)
1	Furniture and fixtures	10
2	Office Equipment's	5
3	Vehicles	8
4	Computer Hardware	
	(i) Computer Servers	6
	(ii) Networking Equipment's	6
	(iii) Desktop/Laptop etc.	3

Leasehold improvements are depreciated over the period of lease or at their estimated useful life, whichever is lower.

Intangible assets comprising of software purchased and licensing cost are amortized on straight line basis over the useful life of the software up to a maximum period of 10 years.

The Group provides pro-rata depreciation from the day the asset is ready to use and for any asset sold, till the date of sale.

1.7 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Consolidated Statement of Profit & Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

1.8 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currencies at the year-end are restated at year end rates. Non-monetary foreign currency items are carried at cost.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit & Loss of the year.

1.9 Revenue recognition

Revenue is recognized when no significant uncertainty as to measurement and realization exists.

- I. Transaction fees are charged to members at the applicable rates based on the volume of transactions entered into by the members through the exchange. These are accrued when orders placed by members on the network are matched and confirmed.
- II. Admission fees collected from new members for joining the exchange are recognized when received and the member is approved by membership committee.
- III. Processing and other fees collected from members are recognized on receipt basis.
- IV. Recoveries from members towards VSAT connectivity are apportioned over the period of connectivity (three years) on a pro rata basis from the date of activation of connectivity
- V. Dividend income is recognized when the company's right to receive dividend is established.
- VI. Interest income is recognized on time proportion basis.
- VII. Income from Listing Fees is recognized on time proportion basis.

- VIII. Profit / Loss on sale / redemption of Investment is determined at weighted average cost.
- IX. Clearing and settlement fee are recognized in accordance with the terms of Agreement with Metropolitan Stock Exchange of India Limited (formerly known as MCX Stock Exchange Limited)

1.10 Employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amounts in the Consolidated Statement of Profit & Loss of the year in which the related service is rendered.

Long-term employee benefits, viz., gratuity and leave encashment are recognized at the present value of the amounts payable determined at the close of the year based on actuarial valuation techniques using the Projected Unit Credit Method. Actuarial gains and losses are charged to the Consolidated Statement of Profit & Loss. The present value is determined using the market yields of government bonds, at the balance sheet date, as the discounting rate.

1.11 Investments

Investments are classified as long-term or current based on intention of the management at the time of purchase.

Long-term investments are carried at carrying cost less other than temporary diminution in value, determined separately for each individual investment.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each individual investment.

1.12 Accounting for Tax

Tax expense comprises current tax and deferred tax charge or credit.

Current tax

Current tax expense is determined in accordance with the provision of Indian Income Tax Act, 1961 after taking into consideration the exemption and allowances, if any, available to the Group in the Income Tax Act, 1961.

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets resulting from "timing difference" between taxable and accounting income are recognized using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realize the same

1.13 Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognized as an expense in the Statement of Profit & Loss in accordance with Accounting Standard 19 - Leases.

1.14 Provisions, contingent liabilities and contingent assets

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Group recognizes that it has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reasonable estimate can be made.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

1.15 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

1.16 Events occurring after Balance sheet Date

Events occurring after Balance sheet Date have been considered in preparation of the consolidated financial statements.

2. The subsidiary companies considered in the consolidated Financial Statements are:-

	Name of the Subsidiary	Country of Incorporation	Proportion of Ownership
a)	MCX – SX Clearing Corporation Limited	India	51%
b)	MCX – SX Registration Agency Limited	India	100%

3. Share Capital

	As at March 31, 2015		As at March 31, 2014	
	Rupees	Rupees	Rupees	Rupees
Authorised :				
each		3,500,000,000		2,500,000,000
Issued, Subscribed and Paid-up :				
each, fully paid up	1,163,413,045		544,685,400	
Less :- Amount recoverable from MCX Stock Exchange ESOP Trust				
(Refer Note 3.4) [5,133,430 (Previous Year Rs.5,433,000) equity				
shares of Re 1/- each fully paid alloted to the MCX Stock Exchange				
ESOP Trust]	5,133,430		5,433,000	
		1,158,279,615		539,252,400
Total		1,158,279,615		539,252,400

3.1 Reconciliation of the shares outstanding at the beginning and at the end of year.

	As at Marc	As at March 31, 2015		h 31, 2014
	No. of Shares	Rupees	No. of Shares	Rupees
Equity shares				
At the beginning of the Year	544,685,400	544,685,400	544,685,400	544,685,400
Issued during the Year	618,727,645	618,727,645		
Outstanding at the end of the Year	1,163,413,045	1,163,413,045	544,685,400	544,685,400
I and the second				

3.2 Details of shareholders holding more than 5% shares in the company

	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Re.1/- each fully paid-up				
IFCI Limited	71,875,000	6.18%	71,875,000	13.20%
Union Bank of India	72,500,000	6.23%	62,500,000	11.48%
Punjab National Bank	50,000,000	4.30%	50,000,000	9.18%

3.3 Shares reserved for issue under options

- (i) The Convertible share warrant holders have the option to convert their share warrant into 591,600,731 (Previous Year 1,196,630,000) equity shares of Re.1 each at the terms and conditions mentioned in note no.5.
- (ii) 3,659,475 (Previous Year 3,979,308) equity shares of Re.1 each have been reserved to be allotted to the ESOP trust under ESOP Scheme.

3.4 Loan to ESOP Trust

The Company's ESOP is administered through an ESOP Trust, which subscribes to shares of the Company and holds them until issuance thereof based on vesting and exercise of options by employees. At the time of formation of the trust the Company has provided an interest free loan amounting to Rs. 6,000,000 to the Trust to subscribe to 5,433,000 shares issued at Re. 1 per share and were allotted on November 20, 2009. As per the Guidance Note on Accounting for Employee Share Based payments issued by the Institute of Chartered Accountants of India, the amount of loan equivalent to the face value of securities subscribed and not alloted to employees [Rs. 5,133,430] has been deducted from share capital account and the balance part of the loan representing the amount of [Rs. 866,570] has been added to short term loans and advances in note no.20.The balance of such loan as at March 31, 2015 is Rs. 6,000,000. The repayment of the loan is primarily dependent upon the exercise of options by the employees, the price at which fresh or reissued options are granted and dividend income earned thereon till exercise of options. The Company believes that the options would be exercised by the employees and the Trust would be able to repay the loan based on the price received by the Trust there against. On that basis, the loan to the Trust is considered as good of recovery.

4. Reserve and Surplus

	As at Marc	h 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
Securities Premium Account				
As per last Balance Sheet	3,460,872,570		-	
Add :- Received on Issue of Shares	54,793,504		3,460,872,570	
		3,515,666,074		3,460,872,570
		3,515,666,074		3,460,872,570
Surplus / (deficit) in statement of Profit and Loss				
As per last financial statements	(2,782,949,815)		(1,238,260,711)	
Less: - Depreciation on Assets whose useful life has expired as at 31-03-14	(2,175,180)			
Add / (Less) :- Profit / (Loss) for the year	(594,094,326)		(1,544,689,104)	
		(3,379,219,321)		(2,782,949,815
		(3,379,219,321)		(2,782,949,815
As per last Balance Sheet	100,007,699		75,000,000	
Add :- Contribution/ (Transfer) during the year	(86,068,249)		25,007,699	
		13,939,450		100,007,699
Core Settlement Guarantee Fund				
As per last Balance Sheet	-		-	
Add :- Contribution/Interest Accrued during the year	94,429,154		-	
		94,429,154		-
		108,368,604		100,007,699
Total		244,815,358		777,930,454

5. Non Refundable Interest Free Deposits Against Warrants

	As at Marc	ch 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
As per last Balance Sheet				
Add :- Issue during the year				
Less :- Converted to Shares				
At the end of the year		591,600,731		1,196,630,000
Total		591,600,731		1,196,630,000

A total of 1,196,630,000 warrants were allotted to certain shareholders under the Scheme of Capital Reduction cum Arrangement implemented from March 19, 2010 post sanction of the Hon'ble High Court of

Bombay under Sections 100-104 and 391-393 of the Companies Act, 1956. Under the Scheme, an amount of Re. 1 was required to be maintained against each warrant as non-refundable interest free deposit. Accordingly, the Company holds an amount of Rs. 591,600,731 (Previous year 1,196,630,000) as interest free non-refundable deposit. Each warrant holder can exercise in one or more installments, its option to subscribe to the fully paid up equity shares of the Company of the face value of Re. 1 each subject to conditions. The exercise of warrants would always be subject to the Securities Contracts (Regulation) (Stock exchanges and Clearing Corporations) Regulations, 2012 or any such regulation which is in force and other conditions. Upon exercise of the option, the proportionate non-refundable interest free deposit will be adjusted against the moneys receivable in respect of the equity shares so issued. The Equity Shares arising out of the exercise of Warrants will rank pari passu with the existing equity shares in all respects. The warrants do not carry any voting rights.

6. Minority Interest

	As at Marc	h 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
y Interest		144,823,972		138,141,233
		144,823,972		138,141,233

7. Other long-term liabilities

	As at Mar	As at March 31, 2015		ch 31, 2014
	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards :				
- Deposits		45,800,000		138,600,000
Settlement Banks Deposits		200,000,000		220,000,000
Core Settlement Guarantee Fund (Members Share)		28,238,719		-
Other Deposits		6,600,000		6,734,497
Gratuity		99,226		-
То	tal	280,737,945	1	365,334,497
	1			

8. Long-term Provision

	As at Marc	h 31, 2015	As at March 31, 2014	
	Rupees	Rupees	Rupees	Rupees
or Employee Benefits				
pensated Absebces		884,574		928,708
		884,574		928,708

9. Trade Payables

	As at March 31, 2015		As at March 31, 2014	
	Rupees	Rupees	Rupees	Rupees
Micro, Small and Medium Enterprises		-		147,059
Others		45,498,188		135,332,043
There are no dues to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosures, if any, relating to amounts unpaid as at the year end and together with the interest paid/payable as required under the said Act have not been given.				
Total		45,498,188		135,479,102

10. Other Current Liabilities

	As at Marc	h 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
Unearned Income towards :				
- Vsat connectivity charges	1,922,441		1,844,856	
- Other connectivity charges	-		22,054	
- Admission fees	1,450,000		950,000	
- Income received in advance	2,306,564		8,480,376	
- Trasaction Charges	-	L	325,840	
		5,679,005		11,623,126
Deposits from members		1,203,594,702		1,243,599,950
Sundry Creditors for Capital Expenditure		26,516		18,700,681
Investor service fund # [Including interest earned of Rs.437,878				, ,
(Previous Year Rs.370,272)]		5,857,537		4,972,659
Sebi Regulatory Fees		10,000,000		20,000,000
TDS Payable		19,607,241		17,514,952
Gratuity		710,698		618,267
Other Deposit		30,000		· -
Other Liabilities *		8,178,176		21,710,600
# Investor Service Fund was established by the Company in accordance with SEBI approval letter dated September 18, 2008. The fund is maintained to provide services to investors which include maintenance of investor grievance cell, education and awareness about securities market, price dissemination and other services that are in the interest of the investor. The balance amounting to Rs. 5,857,537 (Previous year Rs.4,972,669) as at March 31, 2015 represents the total contribution amount of Rs. 4,000,000 (Rs.4,000,000), Listing Fees Contribution and interest earned thereon.				
* Mainly includes Statutory Liabilities				
		1,253,683,875		1,338,740,235

11. Short Term Provisions

Rupees	Rupees	Rupees
		Rupees
1,866,595		2,682,467
5,721,461		9,076,348
9,881		168,665
7,597,937		11,927,480
	5,721,461 9,881	5,721,461 9,881

12. Fixed Assets

(Amount in Rupees)

		Gross Block	ilock			Depreciation/Amortisation	Amortisation		Net Block	lock
Particulars	As at	Additions	Deductions/	As at	Upto		Deductions/	Upto	Asat	Asat
	April 01, 2014	auring the year	Adjustments	March 31,2013	March 31, 2014	ror the year	Adjustments	March 31,2013	March 31,2013	March 31, 2014
TANGIBLE ASSETS OWN ASSETS										
Office Equipments	17,478,581	1,599,963	593,004	18,485,540	1,291,500	5,315,593	252,701	6,354,392	12,131,148	16,187,081
Computer Hardware	310,812,375	51,688,115	6,077,981	356,422,509	93,399,524	59,183,138	3,862,214	148,720,448	207,702,061	217,412,849
Furniture & Fixtures	3,513,965	1,505,244	•	5,019,209	412,215	448,576	1	860,791	4,158,417	3,101,749
Vehicles	10,911,798	1,260,416	050'266'9	5,175,164	2,045,097	1,373,662	2,231,676	1,187,083	3,988,081	8,866,701
LEASED ASSETS										
Leasehold Improvements	11,800,000	-	-	11,800,000	2,469,918	2,360,000	-	4,829,918	6,970,082	9,330,082
Total (A)	354,516,719	56,053,739	13,668,035	396,902,422	99,618,254	696'089'89	6,346,591	161,952,632	234,949,789	254,898,462
Previous Year	324,940,123	34,885,832	5,309,236	354,516,719	47,120,381	53,653,239	1,155,364	99,618,256	254,898,463	
INTANGIBLE ASSETS										
Computer Software**	983,124,541	13,278,990	1	996,403,532	327,962,935	75,340,740	1	403,303,675	593,099,857	655,161,606
(Other than internally generated)										
Total (B)	983,124,541	13,278,990	-	996,403,532	327,962,935	75,340,740	-	403,303,675	593,099,857	655,161,606
Previous Year	770,113,774	213,010,767	-	983,124,541	159,056,136	168,906,799	-	327,962,935	655,161,606	
TOTAL (A + B)	1,337,641,260	69,332,729	13,668,035	1,393,305,953	427,581,189	144,021,709	6,346,591	565,256,307	828,049,646	910,060,069
Previous Year	1,095,053,897	247,896,600	5,309,236	1,337,641,260	206,176,517	222,560,038	1,155,364	427,581,191	910,060,069	

Intangible asset under development

Capital work in progress ** In certain cases the company has only usage right and not the title or ownership. * Refer Note No.33

13. Long term loans and advances

		As at March	n 31, 2015	As at March	n 31, 2014
		Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good)					
Capital advances		364,805		-	
Balance with Central Excise and Service Tax authorities		351,651,349		64,535,715	
Prepaid expenses		7,208,779		2,436,002	
Sundry Deposits		50,871,127		52,980,381	
Advance Income Tax (net)		287,025,467		327,915,033	
MAT Credit entitlements		18,554,307		18,554,307	
Loans and advances to employees		134,477		2,696,718	
			715,810,311		469,118,156
	Total		715,810,311		469,118,156

14. Current investments

	As at March	31, 2015	As at March	31, 2014
	Rupees	Rupees	Rupees	Rupees
Non-trade unquoted (at lower of cost or realisable value,				
whichever is lower)				
In units of Mutual Funds, fully paid-up				
16,606.996 (Previous Year NIL) of Rs.2107.5455 each in				
Reliance Liquididty Fund - Growth	35,000,000		-	
India Treasury Management Account - Super Institutional Plan -				
Growth	19,927,457		-	
15,924.833 (Previous Year NIL) of Rs.2197.8252 each in SBI				
Premier Liquid Fund -Growth	35,000,000		-	
1,268,125.131 (Previous Year NIL units) of Rs.27.5998 each in				
HDFC Liquid Plan - Growth	35,000,000		-	
104,066.491 (Previous Year 34,123.328 units) of Rs.1,000 each				
in Axis Liquid Fund - Daily Dividend Reinvestment	104,098,710		34,127,353	
37,617.134 (Previous Year 44,952.530) of Rs.1,000 each in BOI				
AXA Liquid Fund -Daily Dividend Reinvestment	37,716,755		45,071,579	
352,932.797 (Previous Year 340,081.095 units) of Rs.100 each			_	
in DWS Insta Cash Plus Fund - Daily Dividend Reinvestment	35,400,571		34,111,495	
637,923.319 (Previous Year 540,606.208) of Rs.100 each in			_	
ICICI Liquid Fund Super IP Dir Daily Dividend Reinvest	63,828,375		54,089,926	
2,2224.627(Previous Year 59,923.990) of Rs.1000/- each in				
Reliance Liquidity Fund Dir Daily Dividend Reinvest	33,975,676		63,051,264	
NIL (Previous Year 8009.352) of Rs.1000/- each in Religare				
Liquid Fund - Dir Daily Dividend Reinvest	-		8,015,680	
117,143.102 (Previous Year 199,437.735) of Rs.1000/- each in				
SBI Premier Liquid Fund - Direct Daily Dividend Reinvest	117,523,817		200,085,910	
each in Sundaram Money Fund Daily Dividend Reinvestment				
Plan	67,375,261		34,231,898	
NIL (Previous Year 6,501.443) of Rs.1,000/- each in Union KBC			0.505.074	
Liquid Fund Daily Dividend Reinvestment Plan	-		6,505,674	
NIL (Previous Year 16,023.647) of Rs.1000/- each in Templeton			40.040.000	
India TMA - Dir Daily Dividend Reinvest	-	504.040.000	16,040,866	405 004 045
		584,846,622		495,331,645
Total	-	584,846,622	-	495,331,645
Total amount of unquoted Investments	-	584,846,622	-	495,331,645
Note :- Rs.19,927,457 are towards making payments of the deposits of m	nambars in futuro	304,040,022		733,331,043

15. Trade receivables

	As at Marc	h 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
(Unsecured and Considered Good unless otherwise stated)				
Debts Outstanding for a period exceeding six months	840,038		636,742	
Other Debts	7,092,211		20,123,486	
Less :- Provisions for doubtful debts	510,876	7,421,373	358,573	20,401,655
Total	ļ	7,421,373		20,401,655

16. Cash and bank balances

	As at Marc	h 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
Cash and cash equivalent - Balance with Banks - In current accounts - Fixed Deposit with banks having maturity less than 3 months Cheques in hand Stamps in hand Cash on Hand Other Bank Balances in Fixed Deposits * * Includes :	30,580,892 300,000,000 33,708 239,965 61,059	330,915,624 1,019,598,670	315,677,319 300,000,000 39,340 239,965 41,318	615,997,942 1,557,624,162
(A) Rs.4,977,569 (Previous Year Rs.4,594,606) earmarked towards the Investor Service Fund. (B) Under lien with Banks for Bank Guarantee- Rs.Nil (Previous Year)				
Rs.250,000,000) (C) Deposits of Rs.Nil (Previous Year Rs.Nil) with maturity of more than 12 months.				
Balance in Current Account includes Rs.4,039,288/- (Previous Year Rs.15,701,405/-) towards Clearing and Settlement Obligation				
Fixed deposits aggregating Rs.Nil (Previous Year Rs.100,000,000/-) earmarked towards Settlement Guarantee Fund.				
Fixed deposits aggregating Rs.265,681,651/- (Previous Year Rs.Nil) earmarked towards Core Settlement Guarantee Fund.				
Fixed Deposits under lien with a Bank for Bank Guarantee- Rs.Nil (Previous Year Rs.250,000,000/-)				
Fixed Deposits maturing beyond March 31, 2016 is Rs. NIL (Previous Year Rs. NIL)				
Note :- Fixed Deposits of Rs.686,000,000 are towards making payments of the deposits of members in future				
Total		1,350,514,294		2,173,622,104

17. Short term loans and advances

	As at Marc	h 31, 2015	As at Marc	h 31, 2014
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good, unless otherwise stated)				
Balance with Central Excise and Service Tax authorities	25,412,396		275,585,932	
Advances to vendors	8,611,748		5,815,045	
Prepaid expenses	23,979,081		267,615,325	
Sundry Deposits	1,743,000		1,529,630	
Loans and advances to employees	674,675		1,464,919	
Others #	1,133,293		1,836,251	
Advance Income Tax (Net of Provision)	111,050,903			
		172,605,095		553,847,103
[#includes				
(a) Rs.866,570 (Previous Year Rs.567,000) balance with MCX Stock				
Exchange ESOP Trust] { Refer note 7.5}				
(b) Advances include Rs. Nil (Previous Year Rs.20,000/-) standing				
against a Director, in respect of sitting fees wrongly paid twice. The				
said amount has since been recovered.				
Total		172,605,095		553,847,103

18. Other Current Assets

		As at Marc	h 31, 2015	As at Marc	h 31, 2014
		Rupees	Rupees	Rupees	Rupees
Interest accrued on Fixed Deposits			63,449,292		130,040,197
Others			225,559		307,304
	Total		63,674,851		130,347,500

19. Revenue from operations

		201	4-15	2013	3-14
		Rupees	Rupees	Rupees	Rupees
Revenue from operations					
Sale of services -					
Transaction Fees		137,334,538		481,500,552	
Other operating revenue -					
Membership Admission Fees		-		11,000,000	
Processing Fees		17,348,000		487,260	
Listing Fees		2,262,650		649,688	
Annual Subscription Fees		97,500		18,783,336	
Vsat connectivity income		4,090,668		4,461,664	
Other connectivity charges		28,896,447		65,687,055	
Data Feed Charges		7,077,154		5,982,640	
RSA Hardware Token		253,159		1,472,110	
Examination Fees		474,786		1,971,214	
Others		6,557,427		9,209,060	
			204,392,329		601,204,578
	Total		204,392,329		601,204,578

20. Other income

	201	4-15	201	3-14
	Rupees	Rupees	Rupees	Rupees
Dividend from Non Trade Current Investments		37,644,040		58,442,304
Interest on Bank Deposits		133,585,049		259,308,744
Interest Income Others		157,864		6,147,033
Interest received on Income Tax Refund		-		1,128,337
Profit on sale of Current Investments (Net)		10,173,738		3,349,395
Profit on sale of assets		26,421		-
Exchange Difference		-		333,300
Miscellaneous Income		7,382		82,188
Excess Provision for Bonus Written Back		-		350,401
Excess Provision for Gratuity Written Back		_		216,705
Total		181,594,494		329,358,408

21. Operating expenses

	201	L4-15	201	3-14
	Rupees	Rupees	Rupees	Rupees
Technology Cost		227,213,301		708,758,077
Sebi Regulatory Fees		10,223,500		20,065,625
Vsat Connectivity Expenses		227,227		480,467
Internet Connectivity Charges		1,356,506		8,564,944
POP / NPN Charges		101,088,000		101,088,000
Co-Location Charges		29,873,596		61,062,477
Total		369,982,130		900,019,590

22. Employee benefits expense

	201	4-15	2013	B-14
	Rupees	Rupees	Rupees	Rupees
Salaries, Allowances and Bonus	220,673,533		326,671,339	
Contribution to Provident Fund and other funds	13,828,998		14,834,033	
Staff Welfare and Other Amenities	2,223,811	236,726,342	2,544,257	344,049,629
Total		236,726,342		344,049,629

23. Finance costs

	201	L4-15	201	3-14
	Rupees	Rupees	Rupees	Rupees
Interest expenses		117,851		471,147
Total		117,851		471,147

24. Advertisement and Business Promotion Expenses

	2014-15		201	3-14
	Rupees	Rupees	Rupees	Rupees
Advertisement		310,026		127,971,177
Business Promotion Expenses		381,640		18,040,804
Incentive for Liquidity Enhancement Scheme		369,317		401,888,483
Sponsorships and Seminar		20,000		10,039,745
		1,080,983		557,940,209

25. Other expenses

·	201	4-15	201	3-14
	Rupees	Rupees	Rupees	Rupees
Rent		97,295,182		119,336,254
Repairs and Maintenance - Others		20,542,018		11,041,695
Insurance		4,494,542		5,506,689
Travelling and Conveyance		3,500,183		10,341,051
Communication Expenses		20,062,603		38,183,657
Legal and Professional Charges		18,223,396		118,757,234
Shared Service Cost		1,500,000		15,000,000
Membership and Subscription Fees		9,299,436		60,529,598
Directors Sitting Fees		4,428,000		5,605,000
Payment to Auditors :				
- Audit Fees	1,155,618		2,011,236	
- Other matters (Certification)	695,000		1,245,000	
- Reimbursement	-	1,850,618	10,990	3,267,226
Loss on Sale of Fixed Asset (net)		3,499,213		535,495
Wealth Tax		9,881		48,576
Exchange Rate Fluctuation (net)		236,713		-
Bank Charges		694,077		1,273,282
ROC Fees		6,762,250		-
Miscellaneous Expenses		29,008,213		31,659,958
Total		221,406,325		421,085,714

26. Exceptional Items

	201	2014-15		3-14
	Rupees	Rupees	Rupees	Rupees
Contribution to funds :				
- Contibution to Settlement Gurantee Fund	-		25,000,000	
- Contribution to Investor Protection Fund	-		2,500,000	
- Contribution to Investor Services Fund *	-	-	1,000,000	28,500,000
* Listing fees contribution by the Exchange.				
Other				
		-		28,500,000

27. Contingent Liability

Claims against the Holding Company not acknowledged as debts Rs.187.66 Lac (Previous Year Rs.187.66 Lac).

The Income tax department during assessment relating to assessment Year 2011-12 had directed the Holding Company to get the special audit done under Section 142 (2A) of the Income tax Act from the date of incorporation of the Holding Company till assessment Year 2011-12. Pursuant to the findings, etc. the department has disallowed an amount of Rs.2041.23 Lac relating to the Assessment Year 2011-12 and reduced the losses to that extent. No orders are yet received by the Holding Company relating to earlier years. The Holding Company has filed an appeal against the order and expect the same to be favorable.

The Holding Company has entered into various contracts including long term contracts with a company towards software license and maintenance agreements etc. The continuance of these contract shall depend on the future running of the business including raising required resources for the same. Hence, the chances of termination of these contracts and the impact of the same on the financial statements including penalty and charges if any cannot be commented upon.

There are certain other cases going on in court on certain matters including for attachment of properties, etc., the impact of which is not ascertainable.

28. Metropolitan Stock Exchange Of India Ltd (MSEI) is a recognized stock exchange under Section 4 of the Securities Contracts Regulation Act, 1956 (SCRA). Its income mainly consists of transaction charges on the volume generated on the exchange, membership & subscription fees, interest on fixed deposits and other investments. During the year, the revenue from the Currency Derivatives segment on account of regulatory restrictions and dampened market sentiment had got adversely effected resulting into losses for the year ended March 31, 2015 and net worth of the Holding Company is Rs.114.36 Crores as per the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations).

The Holding Company continued to prepare its financials statement on going concern basis in view of the following reasons:

- The Holding Company with eminent Board members are spearheading the revival of the Exchange with a strong vision for implementing an alternative development model for the Indian securities market.
- Necessary steps has been taken to reduce the operating cost by discontinuing the Liquidity Enhancement Scheme with effect from April 10, 2014 and revisiting all such contracts to ensure that charges paid for infrastructure, software and software support contracts are comparable to those paid by other exchanges in similar line of business.
- Pursuant to the order passed by the Hon'ble Competition Appellate Tribunal (COMPAT) dismissing the appeal of National Stock Exchange(NSE) against the order of Competition Commission of India levying penalty for abusing its dominance in the market, the Holding Company has filed an application for compensation under Section 53N of the Competition Act, 2002 before the Hon'ble COMPAT for recovery of an amount of Rs. 856.99 Crores along with interest pedente lite in future at the rate of 18% till realization of the claim, from NSE in respect of losses and damages suffered on account of the unfair pricing practices under the Competition Act, 2002. The matter is listed for hearing before the Hon'ble COMPAT on July 22, 2015.

• The Holding Company is in process of bringing out right issue in near future for developing business and to maintain its net worth at stipulated level.

All the above measures helped the Holding Company in achieving the financial stability and meet SEBI minimum net worth requirement of Rs. 100 crore.

The Holding Company expects increase in business volumes in coming year and also to start different segments which are currently not active. In view of the business plan placed for the current year as approved by the Board of Directors, and based on the revenue generation with an incremental effective growth on the net worth, currently the Holding Company is confident of running as going concern and continue its business.

The holding Company has unutilized service tax credit of Rs. 35.17 crores as at March 31, 2015 (previous year Rs 31.68 crores). As mentioned above, the Holding Company expects improved revenue earnings in the future years and hence is of the view that the unutilized service tax credit will be fully utilized in future years and the same is considered as good for recovery.

Similarly, since the Holding Company is confident of improving its business and making profits in future years, no impairment testing is carried out with regard to its tangible and intangible assets.

MCX SX Clearing Corporation Limited (subsidiary) is a limited company domiciled in India and incorporated on 7th November, 2008 under the provisions of the Companies Act, 1956. The subsidiary is engaged in the business of Clearing and Settlement of deals in multi asset classes carried out at Metropolitan Stock Exchange of India Limited (Holding Company) (formerly knows as MCX Stock Exchange Ltd.)

MCX SX KYC Registration Agency Limited (subsidiary) is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The said subsidiary is incorporated for the purpose of maintaining database for members of exchange and other under the Know Your Client Guidelines.

- 29. In the earlier years, the Holding Company entered into various one-sided long-term infrastructure, software and software support contracts exclusively with Financials Technologies (India) Limited (FTIL) (erstwhile promoter). During the March quarter ending 2014, the new management of the Holding Company decided to review all such contracts to ensure that charges paid for infrastructure, software and software support contracts are comparable to those paid by other exchanges in similar line of business and has not provided an amount of 10.71 crores during year ended March-2014. This was based on a legal opinion received by the Holding Company, which raised concern on the arm's length nature of these contracts. Accordingly a renegotiation was done for the expense towards technology cost and support services. Further, upon renegotiation an amount of Rs.10.71 Crores (net) relating to previous year has been charged to Consolidated Statement of Profit and Loss in the Current Year and disclosed as Prior Period Adjustments vide Note No.42.
- **30.** In the Financial year 2012-13, the Holding Company recognized MAT credit entitlement under section 115 JB of Income Tax, Act 1961 amounting to Rs. 1.86 crore. In view of various measures taken by the management as listed in note # 28 above, the Holding Company is of the view that it will be under normal income tax in future years and will be in the position to utilize this credit, it continued to carry the above MAT credit entitlement as an asset good for recovery.
- 31. The Holding Company could not in some earlier years charge transaction fee in its Currency Derivatives Segment as its dominant competitor, National Stock Exchange of India Ltd. (NSE), was not charging the same. On the complaint of the Company, the Competition Commission of India (CCI) passed an order dated June 23, 2011 directing NSE to cease and desist from carrying on its unfair pricing policy and further levied a penalty of Rs. 55.50 crore on NSE. NSE had appealed against the said order before the Hon'ble Competition Appellate Tribunal (COMPAT), which vide its order dated August 5, 2014 upheld the order passed by the Hon'ble CCI and found NSE guilty of abusing its dominant position as it had indulged in anti-competitive practices.

NSE filed an appeal before the Hon'ble Supreme Court on September 16, 2014 against the order passed by the Hon'ble COMPAT. Subsequent to the appeal, an interim stay on the recovery of penalty amount was granted by the Hon'ble Supreme Court. The matter is listed for hearing before the Hon'ble Supreme Court on July 7, 2015.

Additionally, pursuant to the order passed by the Hon'ble COMPAT, the Holding Company has filed an application for compensation under Section 53N of the Competition Act, 2002 before the Hon'ble COMPAT for recovery of an amount of Rs. 856.99 Crores along with interest pedente lite in future at the rate of 18% till realization of the claim, from NSE in respect of losses and damages suffered on account of the unfair pricing

practices under the Competition Act, 2002. The matter is listed for hearing before the Hon'ble COMPAT on July 22, 2015.

32. Issue of shares

In the current year, the Holding Company has issued 618,727,645 equity shares to various persons. Of the same, 605,029,269 shares have been issued by way of conversion of share warrants @ nominal value of Rs. 1 / share and 13,698,376 shares have been issued @ premium of Rs. 4 / share. Out of the above warrants, 562,460,000 warrants held by FITL were earlier decided by the board of directors of the company to be extinguished and transferred to capital reserve which were later revived and these warrants were converted into shares and allotted to the third parties named by FITL.

33. Change in useful lives of Tangible and Intangible Asset

During the period, the Group has aligned its depreciation policy in line with the useful lives as stated in the Companies Act, 2013 and has also reassessed the useful lives of its intangible assets by increasing the useful life of Computer Software from five year to ten years. This has resulted in decrease in losses by an amount of Rs.10.16 Crores. Further, the depreciation on assets which completed its useful lives has been debited to the General reserves amounting to Rs.21.75 lacs.

- **34.** Securities and Exchange Board of India (SEBI) vide its Order no. WTM/RKA/MRD-DSA/11/2014 dated March 19, 2014 had declared Financial Technologies (India) Limited (FTIL) as not fit and proper person to acquire or hold any equity share or any instrument that provide for entitlement for equity shares or rights over equity shares at any future date in a recognized stock exchange or clearing corporation either directly or indirectly. On an appeal filed by FTIL, against the said SEBI Order, the Securities Appellate Tribunal has by an Order dated July 09, 2014 upheld the said Order of SEBI and extended time for divesting these shares by four weeks from the date of its Order. Further, the Subsidiary Company (MCX SX Clearing Corporation Limited) sent letters to the Financial Technologies (India) Limited on October 8, 2014 and December 8, 2014 regarding divestment of their stake in the Company, in reply to these letters the Financial Technologies (India) Limited informed us that they are in search of the suitable buyer to acquire their stake in the Company.
- **35.** Securities and Exchange Board of India's (SEBI) letter dated December 26, 2013 requires the Company to transfer 25% of its profit of every year to the Settlement Guarantee Fund (SGF) of the recognised clearing corporation(s) which clears and settle trades executed on that exchange in accordance with clause 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2012. The Holding Company has now allocated its existing contribution to SGF of MCX-SX Clearing Corporation Ltd. to different segments as against the amount transferable under regulation 33, as permissible in terms of SEBI circular no. CIR/MRD/DMNRP/25/2014 dated August 27, 2014. The Holding Company has informed the same to SEBI vide its letter dated November 28, 2014.

36. Earnings per share ('EPS')

(Amount in Rs.)

Particulars	2014-15	2013-14
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders	(594,094,327)	(1,544,689,104)
Weighted average number of equity shares outstanding during the year for basic EPS	675,929,407	539,252,400
Add-Shares Issued to ESOP Trust	5,133,430	5,433,000
Add- Shares on conversion of warrants	591,600,731	1,196,630,000
Weighted average number of equity shares outstanding during the year for diluted EPS	1,272,663,568	1,741,315,400
Basic earnings per share of face value Re. 1 each	(0.88)	(2.86)
Diluted earnings per share of face value Re. 1 each	(0.88)	(2.86)

The effects of conversion of warrants into equity shares and the shares allotted to the ESOP trust pursuant to the employee share based payment plan are anti-dilutive and accordingly not considered for the computation of diluted earnings per share.

37. Stock based compensation:

The Holding Company with the authorization of its shareholders, framed the 'MCX Stock Exchange Employees Stock Option Scheme, 2009', which contemplated issue of ESOPs through the Trust route. Accordingly, 'MCX Stock Exchange ESOP Trust' was formed on November 13, 2009, as a trust.

Under the Scheme, the Compensation Committee of the Holding Company shall decide, the options to be granted, the vesting schedule of the options to be granted and other incidental and consequential matters. The Trust shall be obliged to act on the instructions of the Compensation Committee.

a) On November 27, 2009 a total of 1,125,000 stock options (ESOP Round–I) have been granted under the Scheme. Details of the Options granted by the ESOP Trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
	371,250	Re.1	December 1, 2010	Upto December 1, 2011
November 27, 2009	371,250	Re.1	December 1, 2011	Upto December 1, 2012
27,2003	382,500	Re.1	December 1, 2012	Upto December 1, 2013

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1 each at par. Exercise period for each option is as stated above.

b) On March 20, 2012 a total of 4,055,100 stock options (ESOP Round–II) have been granted under the Scheme. Details of the Options granted by the ESOP Trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
	1,338,183	Rs. 2.10	March 20, 2013	Upto March 20, 2014
March 20, 2012	1,338,183	Rs. 2.10	March 20, 2014	Upto March 20, 2015
	1,378,734	Rs. 2.10	March 20, 2015	Upto March 20, 2016

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1 each at Rs. 2.10. Exercise period for each option is as stated above. The maximum exercise period for 1,950,000 options granted to twelve employees is being extended to five years from the date of vesting. Same was approved by shareholders at Annual General Meeting held on September 28, 2013.

c) On November 1, 2012 a total of 553,250 stock options (ESOP Round – III) have been granted under the scheme. Details of the Options granted by the ESOP trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
	182,571	2.35	November 1, 2013	Upto November 1, 2014
November 1, 2012	182,574	2.35	November 1, 2014	Upto November 1, 2015
	188,105	2.35	November 1, 2015	Upto November 1, 2016

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1/each at Rs. 2.35/-. Exercise period for each option is as stated above. The maximum exercise period for 403,000 options granted to five employees is being extended to five years from the date of vesting which was approved by shareholders at Annual General Meeting held on September 28, 2013.

d) On March 12, 2013 a total of 145,800 stock options (ESOP Round – IV) have been granted under the scheme. Details of the Options granted by the ESOP trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
	48,113	3.95	March 12, 2014	Upto March 12, 2015
March 12, 2013	48,115	3.95	March 12, 2015	Upto March 12, 2016
	49,572	3.95	March 12, 2016	Upto March 12, 2017

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1/each at an exercise price of Rs. 3.95. Exercise period for each option is as stated above.

Particulars	ESOP 2009 Round-I (Nos.)	ESOP 2009 Round-II (Nos.)	ESOP 2009 Round-III (Nos.)	ESOP 2009 Round-IV (Nos.)
Outstanding at the start of the year	NIL	1,739,236	507,959	62,150
Granted during the year	NIL	NIL	NIL	NIL
Forfeited / Lapsed during the year	NIL	452,189	104,311	57,359
Exercised during the year	NIL	319,833	NIL	NIL
Outstanding at the end of the year	NIL	967,214	403,648	4,791
Exercisable / vested at the end of the year	NIL	299,960	13,795	2,360

The particulars of number of options granted and lapsed under the Scheme are tabulated below:

Other disclosures

Particulars	ESOP 2009 Round-I	ESOP 2009 Round -II	ESOP 2009 Round-III	ESOP 2009 Round -IV
The intrinsic value per option	NIL	NIL	NIL	NIL
The estimated fair value per share	1.15	1.55	1.79	1.79
The estimated fair value per option	0.15	0.25	0.003	0
Date of option granted	November 27, 2009	March 20, 2012	November 1, 2012	March 12, 2013

The fair values have been determined using Black-Scholes Model considering the following parameters:

Particulars	ESOP 2009 (Round-I)	ESOP 2009 (Round-II)	ESOP 2009 (Round-III)	ESOP 2009 (Round-IV)
(i) Fair Value of share at grant date	Re.1	Rs. 1.55	1.79	1.79
(ii) Exercise price	Re.1	Rs.2.10	2.35	3.95
(iii) Expected volatility	1%	1%	1%	1%
(iv) Option Life	2 Years	2 Years	2 Years	2 Years
(v) Expected Dividends	Expected Dividends have not been taken into consideration since the company has commenced operations in August 2008 and	Expected Dividends have not been taken into consideration since the company has commenced operations in August 2008 and	The Company has made loss in this financial year and does not intend to propose any dividend for the financial year 2014-15.	The Company has made loss in this financial year and does not intend to propose any dividend for the financial year 2014-15

	has been incurring losses ever since.	has been incurring losses ever since.		
(vi) Risk free interest rate	8.00%	8.75%	9.00%	9.00%
(vii) To allow for the office	sta of coult oversion it i		valous o usould overeis	a tha antions often

(vii) To allow for the effects of early exercise, it is assumed that the employee would exercise the options after vesting date.

As per the Holding Company's management estimate the loss of the Company for the year would have been higher by Rs. 13,582 (and Previous Year loss would have been higher by Rs. 34,667) had the Holding Company accounted the employee share-based payment using the fair value method. There is no material impact on the earnings per share.

Note:

- 1. A loan of Rs. 10,49,970/- was taken for acquiring 677,400 Equity Shares of Re.1/- each at a valuation of Rs. 1.55/- per share for funding the acquisition of shares in respect of options to be granted to the non-executive directors of MSEI and the employees and directors of its subsidiary MCX-SX CCL.
- 2. The total number of options lapsed as on March 31, 2015 are as follows:-

Round I	Round II	Round III	Round IV	Total
420,000	2,669,053	149,602	141,009	3,379,664

As per Clause 4.1 of ESOP Scheme 2009, the aforesaid Forfeited / lapsed stock options under this scheme can be granted to other employees including new employees by the Trust in accordance with the directions of the Compensation Committee given at its absolute discretion.

3. In the previous years under Round I, 7,05,000 shares were added in the ESOP Trust which was granted to the Directors and was exercised by them.

38. Segment reporting

During the year, the Group has two reportable segments, Trading Services and Clearing Services. Segments have been identified and reported taking into account nature of services, management structure and system of financial reporting. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.

- a) Revenues and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenues and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable."
- b) Segment assets and segment liabilities represent assets and liabilities in respective segments. Assets and Liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Primary Segment: Business Segments (Amount in Rs.)

Particulars	Trading Services	ervices	Clearing Services	services	Unallocable	cable	Total	al
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
REVENUE:								
External Revenue	204, 294, 829	601,054,578	97,500	150,000	1	1	204,392,329	601,204,578
Inter-segment Revenue	139,110,448	317,214,228	124,541,005	239,160,310	ı	ı		
Total Revenue	343,405,277	918, 268, 806	124,638,505	239,310,310	1	1	204,392,329	601,204,578
SEGMENT RESULT:								
Profit / (Loss) Before Interest & Tax	(703, 321, 917)	(703,321,917) (1,738,486,321)	(61,944,748)	(133,462,013)	44,143,087	61,772,027	(720,973,579)	(1,810,176,306)
Less : Interest Expense	1	ı	ı	1	(117,851)	(471,147)	(117,851)	(471,147)
Add : Interest Income	ı	ı	ı	1	133,742,915	266,584,114	133,742,915	266,584,114
Profit / (Loss) After Interest	(703,321,917)	(703, 321, 917) (1,738, 486, 321)	(61,944,748)	(133,462,013)	177,768,150	327,884,995	(587,348,515)	(1,544,063,338)
Less : Minority Interest	1	1	1	1	1	1	6,745,811	625,765
Profit / (Loss) for the Year	(703,321,917)	(703,321,917) (1,738,486,321)	(61,944,748)	(133,462,013)	177,768,150	327,884,995	(594,094,326)	(1,544,689,103)
OTHER INFORMATION								
Segment Assets	1,306,845,129	1,894,224,004	36,190,931	51,904,963	2,384,886,133	2,829,885,144	3,727,922,193	4,776,014,111
Segment Liabilities	819,814,616	1,263,385,222	714,869,519	860,483,565	53,718,384	191,237	1,588,402,519	2,124,060,024
Segment Capital Expenditure	51,046,849	56,514,598		2,218,760		1	51,046,849	58,733,358
Depreciation / Amortisation	142,441,067	221,723,629	1,580,641	836,346	1	ı	144,021,708	222,559,975

Secondary Segment

Since all the activities of the company are predominantly conducted in India, there are no separate reportable geographical segments.

Note:

Total Gross Turnover is after elimination of inter segment turnover of Rs. 263,651,453 (Previous Year Rs. 556,374,537).

Profit / Loss of the year is after elimination of Impairment Loss of Rs 150,000 (Previous Year Nil).

Segment Liabilities are after elimination of inter company contribution towards Settlement Guarantee Fund, Core Settlement Guarantee Fund allocations.

As per Accounting Standard on Segment Reporting (AS-17), the Company has reported segment information on consolidated basis including businesses conducted through its subsidiaries.

Refer note 42 for adjustment relating to Prior Period Item.

39. Related party information

a) Names of related parties and nature of relationship:

The disclosures regarding related parties as required by Accounting Standard ('AS') 18 "Related Party disclosures" issued by the Companies (Accounting Standards) Rules, 2006 ('the Rules') are as under:

- (i) Associate Companies (Significant Influence)
 - Financial Technologies (India) Limited (FTIL)
 - Multi Commodity Exchange of India Limited (MCX)

(ii) Key Management Personnel (KMP)

Designation	Metropolitan Stock Exchange of India Ltd (formerly known as MCX Stock Exchange Ltd)	Metropolitan Clearing Corporation Ltd (formerly known as MCX–SX Clearing Corporation Ltd)
MD & CEO	Mr. Joseph Massey up to October 09, 2013 Mr. Saurabh Sarkar w.e.f. February 01, 2014	Mr. U. Venkataraman up to March 04, 2015.
Whole time director	Mr. U. Venkataraman up to February 14, 2014	-
CFO	Mr. Vikas Phadke w.e.f October 07,2014	Mr. Partha Sarathi Sen w.e.f. November 03,2014
Company Secretary	Mr. Sarat Chandran from April 01, 2014 till January 21, 2015	Mr. Prasad Sawant, w.e.f. November 03,2014

(iii) Others

MCX-SX ESOP Trust

b) Details of transactions with related parties

(Amount in Rs.)

Sr. No.	Nature of transactions	Companies having Significant Influence (MCX)	Companies having Significant Influence (FTIL)	ESOP Trust (Others)
1	Software License Expenses	- (-)	(5,583)	- (-)
2	Other Expenses	- (-)	28,124 (109,643)	- (-)
3	Shares allotted to ESOP Trust	- (-)	- (-)	- (127,500)
4	Closing balance of Loan to ESOP Trust	- (-)	- (-)	6,000,000 (6,000,000)
5	Payables (Balance at the end of the year)	- (-)	69,265 (41,704)	- (-)

128 www.ms

c) Transactions with KMP:

Sr. No.	Nature of transactions	Amount (Rs.)
	Salary & allowances*	
1.	Mr. Joseph Massey	(13,589,163)
2.	Mr. U. Venkataraman	8,608,385 (11,321,065)
3.	Mr. Saurabh Sarkar	18,158,541 (2,890,070)
4.	Mr. Vikas Phadke	1,720,543 (-)
5.	Mr. Sarat Chandran	3,636,918 (4,067,388)
6.	Mr. Partha Sarathi Sen	800,313 (-)
7.	Mr. Prasad Sawant	204,576 (-)
8.	Car deposit received from Mr. U. Venkataraman	(134,497)
9.	Sale of Car to U. Venkataraman	134,497 (-)
10.	ESOP Granted Mr.Joseph Massey Opening balance Add- options granted Less- Exercised during the year Less- Lapsed during the year Closing Balance Mr.U. Venkataraman Opening balance Add- options granted Less- Exercised during the year Less- Exercised during the year	(1,000,000) - (1,000,000) - (1,000,000) - (1,000,000) - (250,000) - (250,000) - (250,000)
	Closing Balance	(-)

^{*}Excludes gratuity and long term compensated absences which are actuarially valued and where separate amounts are not identifiable.

- I. Related party relationship is as identified by the Group and relied upon by the auditors.
- II. There are no amounts written off or written back in the year in respect of debts due from or to related parties.
- III. Figures in bracket represent previous year's amounts.

IV. The transactions with the related parties are disclosed only till the relation exists.

40. Operating lease

The Group has entered into operating lease agreements for its office premises.

a) The minimum lease rentals on operating leases recognized in the consolidated statement of Profit & Loss and the future minimum lease payments under operating leases are as follows:

b)

(Amount in Rs.)

		(7 tilloant iii its.		
Particulars	As a	As at		
Faiticulais	March 31, 2015	March 31, 2014		
Future minimum lease payments				
Not later than one year	56,522,375	75,322,880		
Later than one year and not later than five years	121,414,147	176,226,117		
Later than five years	-	-		

c) Lease payments recognised in the consolidated statement of Profit & Loss is Rs. 97,295,183/- (Previous year Rs. 119,336,254/-)

41. Deferred Tax Asset/Liability

As required by Accounting Standard-22 (AS-22) on "Accounting for Taxes on Income" Deferred Tax comprises of the following items:

Particulars	А	As at		
Particulars	March 31,2015	March 31, 2014		
Deferred Tax Assets				
Disallowance under the Income Tax Act, 1961	81,739,618	3,952,389		
Unabsorbed depreciation	233,077,654	230,500,940		
Deferred Tax Liability				
Related to fixed assets	191,836,824	158,281,938		
Net Deferred tax asset/(liability)	122,980,448	76,171,391		

In the absence of virtual certainty that surplus taxable income will be available against which the Deferred Tax Asset can be realized, the same has not been recognized in the books of account in line with AS-22 dealing with "Accounting for Taxes on Income".

42. Following prior period expenses/incomes have been debited or credited to the respective heads of account in the consolidated statement of Profit & Loss:

(Amount in Rs.)

		(Alliount in Ns.)
Particulars	2014-15	2013-14
Prior Period Expenses:		
Technology Cost	85,886,481	-
Co-Location Charges	3,077,970	-
Miscellaneous Expenses	4,429,375	-
Legal and Professional Charges	1,103,000	-
Shared Service Cost	1,500,000	-

130

Total Prior Period Expenses	107,166,596	6,403,844
Software Support Charges	-	27,70,274
Electricity Charges	-	914,508
Office Rent	11,169,770	2,719,062

43. Details of dues to micro, small and medium enterprises

As per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 the amounts due to the Micro, Small and Medium Enterprises on the basis of the information available with the Group regarding the status of suppliers are as under:

Sr. No	Particulars	As at March 31,2015	As at March 31, 2014
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

- **44.** The Board at its meeting held on February 13, 2014 took note of the fact that Multi Commodity Exchange of India Ltd. & FTIL were not promoters of the Exchange and decided that they should not be classified as promoters or promoter group in future filings of the Exchange.
- **45.** In terms of SEBI's order dated March 19, 2014 wherein FTIL was declared as not fit and proper person to acquire or hold any equity share or any instrument that provide for entitlement for equity shares or rights over equity shares at any future date in a recognized stock exchange or clearing corporation either directly or indirectly and was directed to:-
 - FTIL shall divest the equity shares and/or any instrument that provide for entitlement for equity shares or rights over equity shares at any future date held by it directly or indirectly inter alia in MCX-SX within 90 days from the date of this order through sale of shares and/or instruments and
 - FTIL and entities through whom it indirectly holds equity shares or any instrument entitling voting rights inter alia in MCX-SX shall cease to be entitled to exercise voting rights in respect of those shares or instruments with immediate effect.

Accordingly, FTIL transferred its entire 27,165,000 equity shares and 562,460,000 warrant held in Metropolitan Stock Exchange of India Limited (Erstwhile MCX Stock Exchange Limited) to 15 third parties. The aforesaid warrants transferred by FTIL to 15 third parties have been exercised into Equity Shares. As on March 31, 2015, FTIL has completely exited from the Exchange.

As on March 31, 2015 Multi Commodity Exchange of India Limited (MCX) exercised 21,046,514 warrants into Equity Shares. Further, it transferred 21,522,755 warrants to IL&FS which was exercised into Equity Shares by IL&FS.

Post March 31, 2015, MCX exercised additional 10,957,894 warrants into Equity Shares and transferred additional 9,017,227 warrants to IL&FS which was also exercised into Equity Shares.

Hence, SEBI's letter dated July 10, 2012 which required Multi Commodity Exchange of India Ltd. (MCX) and Financial Technologies (India) Ltd. (FTIL) to bring down their joint shareholding in the Company within 5% limit as mentioned in the SECC Regulations within 18 months from the date of the letter with respect to FTIL divestment has been complied with.

MCX has time till June 20, 2015 to bring down their remaining warrants holding in the Exchange

- **46.** The Holding Company does not have a whole time Company Secretary as per Section 203(1) of the Companies Act 2013.
- **47.** The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.
- **48.** The Company has Settlement Guarantee Fund (SGF) in respect of the Currency Derivatives Segment, Equity Cash Market, Equity Derivatives Segment and Debt Market Segment. Clearing Members are required to maintain liquid assets in the prescribed forms with the Clearing Corporation to meet their base minimum capital requirement, minimum liquid net worth requirement, core settlement guarantee fund (Core SGF) contribution requirement, membership requirement and margin requirements.

In line with the SEBI guidelines dated August 27, 2014, the Company has constituted Core SGF, within the SGF, for each segment of the Exchange with effect from December 1, 2014 against which no exposure is given and which is readily and unconditionally available to meet settlement obligations of clearing corporation in case of clearing member(s) failing to honour settlement obligation. In the event of a clearing member (member) failing to honour settlement commitments, the Core SGF shall be used to fulfill the obligations of that member and complete the settlement without affecting the normal settlement process. The corpus of the Core SGF consists of contribution from the Clearing Corporation (at least 50%), the Exchange (at least 25%) and the clearing members (not more than 25%). Core SGF also includes penalties levied by the clearing corporation and accruals from investment of the core SGF.

The composition and aggregate value of the liquid assets maintained with the clearing corporation including the core SGF along with its segment-wise breakup as on March 31, 2015 and March 31, 2014 are provided in the following tables:

		As on		Amount in Rs.
Sr.		March 3	1, 2015	March 31, 2014
No	Particulars	Core SGF (constituted w.e.f. December 1, 2014)	Liquid Assets including core SGF	Liquid Assets (Core SGF was not applicable)
		All Segments		
1	MCX-SXCCL Contribution	179,621,101	179,621,101	-
2	MSEI Contribution	86,060,550	100,000,000	100,000,000
3	Members' Contribution	86,060,550	6,357,995,532	8,254,223,941
3.1	- Cash with MSEI	-	273,000,000	273,000,000
3.2	- Cash with MCX-SXCCL	28,238,718	531,577,577	620,204,896
3.3	- BG	-	990,604,000	2,290,275,000
3.4	- FDR	57,821,832	1,929,320,606	3,140,378,235
3.5	- G-Secs	-	2,189,242,890	1,470,484,980
3.6	- Approved Securities	-	444,250,459	459,880,830
4	Penalties	7,699	7,699	7,699
5	Interest	7,792,936	21,382,735	-
6	Total	359,542,836	6,659,007,067	8,354,231,640

32 www.msei.in

S No	Particulars	As	Amount in Rs.							
		March 3	March 31, 2014							
		Core SGF (constituted w.e.f. December 1, 2014)	Liquid Assets including core SGF	Liquid Assets (Core SGF was not applicable)						
Currency Derivatives Segment										
1	MCX-SXCCL Contribution	172,121,101	172,121,101	-						
2	MSEI Contribution	86,060,550	86,060,550	25,000,000						
3	Members' Contribution	86,060,550	5,696,699,040	7,194,023,963						
3.1	- Cash with MSEI			-						
3.2	- Cash with MCX-SXCCL	28,238,718 346,396,002		383,658,321						
3.3	- BG	- 950,804,000		2,155,375,000						
3.4	- FDR	57,821,832	1,766,005,689	2,729,896,177						
3.5	- G-Secs	- 2,189,242,890		1,470,484,980						
3.6	- Approved Securities	- 444,250,459		454,609,485						
4	Penalties			-						
5	Interest	7,682,311	7,682,311 19,438,709							
6	Total	351,924,512	5,974,319,400	7,219,023,963						
		Equity Cash Mark	et							
1	MCX-SXCCL Contribution	2,500,000	2,500,000	-						
2	MSEI Contribution	-	4,646,483	25,000,000						
3	Members' Contribution	-	367,556,565	414,997,393						
3.1	- Cash with MSEI	-	273,000,000	273,000,000						
3.2	- Cash with MCX-SXCCL	-	39,856,565	46,821,565						
3.3	- BG	-	14,800,000	29,400,000						
3.4	- FDR	-	39,900,000	63,482,058						
3.5	- G-Secs	-								
3.6	- Approved Securities	-	-	2,293,770						
4	Penalties	7,699	7,699	7,699						
5	Interest	36,875	293,605	-						
6	Total	2,544,574	375,004,352	440,005,092						
		Equity Derivatives Seg	gment							
1	MCX-SXCCL Contribution	2,500,000	2,500,000	-						
2	MSEI Contribution	-	4,646,483	25,000,000						
3	Members' Contribution	-	285,739,927	637,202,585						
3.1	- Cash with MSEI	-	-	-						
3.2	- Cash with MCX- SXCCL	-	137,325,010	181,725,010						

S No	Particulars	As	Amount in Rs.					
		March 3	March 31, 2014					
		Core SGF (constituted w.e.f. December 1, 2014)	Liquid Assets including core SGF	Liquid Assets (Core SGF was not applicable)				
3.3	- BG	-	25,000,000	105,500,000				
3.4	- FDR	-	123,414,917	347,000,000				
3.5	- G-Secs	-	-	-				
3.6	- Approved Securities			2,977,575				
4	Penalties	-	-	-				
5	Interest	36,875	293,605	-				
6	Total	2,536,875	293,180,015	662,202,585				
Debt Market Segment								
1	MCX-SXCCL Contribution	2,500,000	2,500,000	-				
2	MSEI Contribution	-	4,646,483	25,000,000				
3	Members' Contribution	-	8,000,000	8,000,000				
3.1	- Cash with MSEI	-	-	-				
3.2	- Cash with MCX- SXCCL	-	8,000,000	8,000,000				
3.3	- BG	-	-	-				
3.4	- FDR	-	-	-				
3.5	- G-Secs	-	-	-				
3.6	- Approved Securities	-	-	-				
4	Penalties	-	-	-				
5	Interest	36,875	1,356,817	-				
6	Total	2,536,875	16,503,300	33,000,000				

49. Additional Information required under Companies Act, 2013;

Sr. No.	Name of the Entity	Net Asset		Share in Profit / Loss	
		% of total Consolidated	Amount	% of total Consolidated	Amount
1.00	Parent Metropolitan Stock Exchange of India Limited	81.05	1,734,126,992.90	(102.34)	(601,071,427.01)
2.00	Subsidiary a) MCX-SX Clearing Corporation Limited	12.16	260,215,541.45	1.20	7,021,150.44
	b) MCX-SX KYC Registration Agency Limited	0.02	353,169.00	(0.01)	44,050.00
3.00	Minority Interest	6.77	144,823,972.47	1.15	6,745,810.21
	Total	100.00	2,139,519,675.82	(100.00)	(587,348,516.36)

For T R Chadha & Co For and on behalf of the Board

Chartered Accountants Metropolitan Stock Exchange Of India Limited
Firm Reg.No-006711N (Formerly known as MCX Stock Exchange Limited)

Vikas Kumar Thomas Mathew T. Saurabh Sarkar

Partner Chairman Managing Director & CEO

M.No-75363

Place : Mumbai Vikas Phadke

Date: May 29,2015 Chief Financial Office



Metropolitan Stock Exchange of India Ltd.

(Formerly known as MCX Stock Exchange Limited)

Regd. Office: 4th Floor, Vibgyor Towers, Plot No. C-62, Opp. Trident Hotel,
Bandra Kurla Complex, Bandra East, Mumbai - 400098.

T: +91-22-6112 9000 | F: +91-22-6112 9009