

Metropolitan Clearing Corporation of India Limited
(Formerly known as MCX-SX Clearing Corporation Limited)
Annual Report 2014-15

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Corporate Information

Name of the Company

Metropolitan Clearing Corporation of India Limited (MCCIL)

(Formerly known as MCX-SX Clearing Corporation Limited)

Name of the Company has been changed to 'Metropolitan Clearing Corporation of India Limited' with effect from August 18, 2015 pursuant to Registrar of Companies certifying change of name of the Company through certificate of incorporation pursuant to change of name dated August 18, 2015.

CIN: U67120MH2008PLC188032

LEI number: 335800QRNLKAHGA1BL68

Board of Directors

Mr. Vepa Kamesam – Chairman and Public Interest Director

Dr. M.Y. Khan – Public Interest Director

Mr. P.K. Chhokra – Public Interest Director

Mr. Saurabh Sarkar – Shareholder Director

Mr. Udai Kumar – Managing Director

Statutory Auditor

M/s. Kirtane & Pandit, Chartered Accountants (FY 2014-15)

Internal Auditor

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

Registered Office

Exchange Square, CTS No. 255, Suren Road, Andheri (East), Mumbai - 400093

Corporate Office

4th floor, Vibgyor Towers, Bandra Kurla Complex, Mumbai - 400098

Registrar and Share Transfer Agents

Karvy Computershare Pvt. Ltd.

Selenium Tower B, Plot number 31 & 32, Financial District

Gachibowli, Hyderabad- 500 032, Telangana

Phone: 040 67161525

www.karvycomputershare.com

Clearing Banks

Axis Bank Ltd.

Bank of India

Canara Bank

Central Bank of India

HDFC Bank Ltd.

ICICI Bank Ltd.

IDBI Bank

Indusind Bank Ltd.

Kotak Mahindra Bank Ltd.

State Bank of India

Union Bank of India

Yes Bank Ltd.

Directors' Report

To
The Members
Metropolitan Clearing Corporation of India Limited
(Formerly known as MCX-SX Clearing Corporation Limited)

Your Directors are pleased to present their Seventh Report on the business and operations of your Company together with the Audited Statements of Accounts and the Auditors' Report for the financial year ended March 31, 2015.

1. FINANCIAL RESULTS

(Amount in INR)

Particulars	As on March 31, 2015	As on March 31, 2014
Total Income	175,142,415	374,616,499
Less: Expenditure	164,760,104	373,339,428
Profit Before Tax	13,766,961	1,277,071
Less: Provision For Tax	-	-
Profit After Tax	13,766,961	1,277,071
Balance carried to Balance Sheet	13,766,961	1,277,071

During the year under review, the Company registered a total income of INR 175,142,415/-as against INR 374,616,499 /- in the previous year. The profit after tax for the year under review is INR 13,766,961/-as compared to INR 1,277,071 /-for the previous year.

2. REVIEW OF OPERATIONS

Your Company is a subsidiary of the Metropolitan Stock Exchange of India Limited (MSEI) (Formerly known as MCX Stock Exchange Limited). MCCIL was incorporated in November, 2008 with the main objective to act as central counterparty providing novation and clearing & settlement services for various asset classes.

On September 29, 2014, the SEBI granted recognition to MCCIL as a Clearing Corporation under the Regulation 4 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. MCCIL is also designated as a Qualified Central Counter Party (QCCP) by the SEBI. MCCIL is registered with both the depositories (i.e. NSDL & CDSL) as a Clearing Corporation as well as a SEBI registered Depository Participant. MCCIL is also a SEBI registered approved Intermediary under the SEBI's Securities Lending Scheme 1997 for a period of three years from June 1, 2013 to May 31, 2016. MCCIL is authorized by the RBI and the SEBI, to settle OTC deals in Corporate Bonds, Structured Debt Instruments, CPs and CDs reported in RBI approved reporting platforms. MCCIL is also authorized by the RBI under section 10 of FEMA to carry out Trading and Clearing & Settlement activities respectively, for currency derivatives contracts.

At present the MCCIL is providing the clearing and settlement services exclusively to the MSEI in respect of all the four segments namely; Currency Derivatives, Equity Derivatives, Equity Cash Market, and Debt Segment.

MCCIL launched its clearing and settlement services for various asset classes on the following dates:

S No	Segment - Asset Class	Date of commencement
1	Currency Derivatives - Currency Futures	February 16, 2009
2	Currency Derivatives - Currency Options	August 10, 2012
3	Capital Market - Equity Shares	February 11, 2013
4	Equity Derivatives - Stock Futures	February 11, 2013
5	Equity Derivatives - Stock Options	February 11, 2013
6	Equity Derivatives - Index Futures	May 15, 2013
7	Equity Derivatives - Index Options	May 15, 2013
8	Debt Market – Corp. Bonds, CPs & CDs	June 10, 2013
9	Currency Derivatives - Interest Rate Futures	January 20, 2014

MCCIL has adopted various best practices in the industry to make sure transactions are managed efficiently and completed seamlessly, which includes transparency in its functions, capital adequacy norms for membership, dedicated settlement guarantee fund, globally accepted systems for margining, online monitoring of member positions based on prudential position limit norms, automatic trading restriction on breach of prudential limits, multilateral netting for obligation computation and periodic back testing of margins.

On the strength of its state of art risk management framework, all the settlements undertaken by the Clearing Corporation till date in various segments as mentioned above have been completed without defaults and without delay.

A) Segment wise details:

a) **Clearing and Settlement - Currency Derivatives Segment:**

During the financial year 2014-15, the Clearing Corporation successfully carried out all settlements in Currency Derivatives Segment without default and delay. Monthly settlement statistics in Currency Derivatives Segment is summarized in Table 1.

Table 1 - Monthly statistics of settlements – Currency Derivatives Segment

Month	Amount in Rs. crores				Total
	Futures		Options		
	Daily Settlement	Final Settlement	Premium Settlement	Exercise Settlement	
(1)	(2)	(3)	(4)	(5)	(6) = (2)+(3)+(4)+(5)
Apr-14	45.29	1.32	3.70	0.17	48.63
May-14	84.82	0.71	4.64	0.82	90.49

Amount in Rs. crores					
Month	Futures		Options		Total
	Daily Settlement	Final Settlement	Premium Settlement	Exercise Settlement	
Jun-14	101.12	0.53	3.91	1.43	106.81
Jul-14	175.07	0.26	2.36	0.09	177.27
Aug-14	178.75	1.28	3.35	1.15	183.99
Sep-14	185.17	3.26	2.97	1.65	192.91
Oct-14	158.06	0.57	1.58	0.44	160.34
Nov-14	87.91	0.19	2.33	0.33	90.70
Dec-14	173.66	0.40	6.65	1.22	181.93
Jan-15	139.93	0.77	0.10	0.00	139.47
Feb-15	88.58	2.24	0.49	0.06	69.41
Mar-15	159.09	1.74	3.63	0.63	163.45
Total	1577.45	13.27	35.71	7.99	1605.4

b) Clearing and Settlement – Equity Cash Market:

During the financial year 2014-15, Clearing Corporation successfully carried out all settlements in Equity Cash Market without default and delay. Monthly settlement statistics in Equity Cash Market is summarized in Table 2.

Table 2 - Monthly statistics of settlements – Equity Cash Market

Month	Quantity			Value in INR Crores		
	Traded	Deliverable	Delivery %	Traded	Deliverable	Delivery %
(1)	(2)	(3)	(4) = (3)/(2)	(5)	(6)	(7) = (6)/(5)
Apr-14	0.4659	0.0159	3.4127	4.1306	0.0595	1.4410
May-14	0.0105	0.0091	86.4374	0.0374	0.0257	68.8324
Jun-14	-	-	-	0.0004	-	-
Jul-14	-	-	-	-	-	-
Aug-14	-	-	-	-	-	-
Sep-14	0.0031	-	-	0.8631	-	-
Oct-14	-	-	-	-	-	-
Nov-14	-	-	-	-	-	-
Dec-14	-	-	-	-	-	-
Jan-15	-	-	-	-	-	-
Feb-15	0.0006	0.0006	100	0.0004	0.0004	100
Mar-15	0.0009	0.0009	100	0.0005	0.0005	100
Total	0.4810	0.0265	5.5094	5.0324	0.0861	1.7109

Note: Details are provided for the settlements completed in the relevant period as given in the Table Column (1)

c) Clearing and Settlement – Equity Derivatives Segment:

During the financial year 2014-15, Clearing Corporation successfully carried out all settlements in Equity Derivatives Segment without any default and delay. Monthly settlement statistics in Equity Derivatives Segment is summarized in Table 3.

Table 3 - Monthly statistics of settlements - Equity Derivatives Segment

Amount in INR Crores					
Month	Futures		Options		Total
	Daily Settlement	Final Settlement	Premium Settlement	Exercise Settlement	
(1)	(2)	(3)	(4)	(5)	(6) = (2)+(3)+(4)+(5)
Apr-14	0.53	0.02	-	-	0.55
May-14	0.04	-	-	-	0.04
Jun-14	-	-	-	-	-
Jul-14	-	-	-	-	-
Aug-14	-	-	-	-	-
Sep-14	-	-	-	-	-
Oct-14	-	-	-	-	-
Nov-14	-	-	-	-	-
Dec-14	-	-	-	-	-
Jan-15	-	-	-	-	-
Feb-15	-	-	-	-	-
Mar-15	-	-	-	-	-
Total	0.57	0.02	0.00	0.00	0.59

d) Clearing and Settlement – Debt Market Segment:

During the financial year 2014-15, Clearing Corporation successfully carried out all settlements in Debt Market Segment without any default and delay. Monthly settlement statistics in Debt Market Segment is summarized in Table 4.

Table 4 - Monthly statistics of settlements - Debt Market Segment

Amount in INR Crores			
Month	Exchange Traded	OTC Reporting Platform	Total
(1)	(2)	(3)	(4) = (2)+(3)
Apr-14	-	4455.23	4455.23
May-14	-	-	-
Jun-14	-	443.97	443.97
Jul-14	-	1226.82	1226.82
Aug-14	-	2256.13	2256.13
Sep-14	-	197.15	197.15
Oct-14	-	0.11	0.11
Nov-14	-	0.10	0.10
Dec-14	-	0.10	0.10
Jan-15	-	-	-
Feb-15	-	5898.81	5898.81
Mar-15	-	13551.49	13551.49
Total	-	28029.91	28029.91

B) Settlement Guarantee Fund (SGF)

The Company has Settlement Guarantee Fund (SGF) in respect of operations of Currency Derivatives Segment, Equity Cash Market, Equity Derivatives Segment and Debt Market Segment which comprises contributions from the Company, the Exchange and the liquid assets deposited by the Clearing Members in the prescribed form with the Clearing Corporation to meet their base minimum capital requirement,

minimum liquid net worth requirement, core settlement guarantee fund (Core SGF) requirement, membership requirement and margin requirement.

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 to 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%). The Core SGF also includes penalties levied by the Clearing Corporation and accruals from investment of the core SGF.

The Minimum Required Corpus (MRC) of Core SGF for each segment of each stock exchange is computed based on the stress test carried out by the Clearing Corporation in line with the Securities and Exchange Board of India (SEBI) guidelines dated August 27, 2014. Further, irrespective of the Core SGF requirement computed based on stress test, the Clearing Corporation has decided to maintain certain minimum corpus as Core SGF for each segment. Accordingly, MCCIL has contributed an amount of Rs. 25 lakhs each in Equity Derivative Segment, Equity Cash Market and Debt Market Segment as the minimum corpus of Core SGF.

The composition and aggregate value of the liquid assets forming the SGF corpus, the Core SGF and its segment-wise breakup as on March 31, 2015 and March 31, 2014 are provided in the tables 5 to 9:-

Table 5 - Composition of the SGF - All segments

Amount in Rupees

Sr No	Particulars	As on March 31, 2015		As on March 31, 2014
		Core SGF*	Total SGF (including core SGF)	Total SGF*
1	MCCIL Contribution	179,621,101	179,621,101	0
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	0	273,000,000	273,000,000
3.2	- Cash with MCCIL	28,238,718	531,577,577	620,204,896
3.3	- BG	0	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	0	2,189,242,890	1,470,484,980
3.6	- Approved Securities	0	444,250,459	459,880,830
4	Penalties	7,699	7,699	7,699
5	Accrued income on Core SGF	8,371,579	8,371,579	0
6	Total	360,121,480	6,645,995,911	8,354,231,640

* Core SGF (constituted w.e.f. December 1, 2014) was not applicable as on March 31, 2014.

Table 6 - Composition of the SGF – Currency Derivatives Segment Amount in Rupees

S No	Particulars	As on March 31, 2015		As on March 31, 2014
		Core SGF*	Total SGF (including core SGF)	Total SGF*
1	MCCIL Contribution	172,121,101	172,121,101	0
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	0	0	0
3.2	- Cash with MCCIL	28,238,718	346,396,002	383,658,321
3.3	- BG	0	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	0	2,189,242,890	1,470,484,980
3.6	- Approved Securities	0	444,250,459	454,609,485
4	Penalties	0	0	0
5	Accrued income on Core SGF	8,260,954	8,260,954	0
6	Total	352,503,155	5,963,141,645	7,219,023,963

* Core SGF (constituted w.e.f. December 1, 2014) was not applicable as on March 31, 2014.

Table 7 - Composition of the SGF – Equity Cash Market Amount in Rupees

S No	Particulars	As on March 31, 2015		As on March 31, 2014
		Core SGF*	Total SGF (including core SGF)	Total SGF*
1	MCCIL Contribution	2,500,000	2,500,000	0
2	MSEI Contribution	0	4,646,483	25,000,000
3	Members' Contribution	0	367,556,565	414,997,393
3.1	- Cash with MSEI	0	273,000,000	273,000,000
3.2	- Cash with MCCIL	0	39,856,565	46,821,565
3.3	- BG	0	14,800,000	29,400,000
3.4	- FDR	0	39,900,000	63,482,058
3.5	- G-Secs	0	0	0
3.6	- Approved Securities	0	0	2,293,770
4	Penalties	7,699	7,699	7,699
5	Accrued income on Core SGF	36,875	36,875	0
6	Total	2,544,574	374,747,622	440,005,092

* Core SGF (constituted w.e.f. December 1, 2014) was not applicable as on March 31, 2014.

Table 8 - Composition of the SGF – Equity Derivatives Segment Amount in Rupees

S No	Particulars	As on March 31, 2015		As on March 31, 2014
		Core SGF*	Total SGF (including core SGF)	Total SGF*
1	MCCIL Contribution	2,500,000	2,500,000	0
2	MSEI Contribution	0	4,646,483	25,000,000
3	Members' Contribution	0	285,739,927	637,202,585
3.1	- Cash with MSEI	0	0	0
3.2	- Cash with MCCIL	0	137,325,010	181,725,010
3.3	- BG	0	25,000,000	105,500,000
3.4	- FDR	0	123,414,917	347,000,000
3.5	- G-Secs	0	0	0
3.6	- Approved Securities	0	0	2,977,575
4	Penalties	0	0	0
5	Accrued income on Core SGF	36,875	36,875	0
6	Total	2,536,875	292,923,285	662,202,585

* Core SGF (constituted w.e.f. December 1, 2014) was not applicable as on March 31, 2014.

Table 9 - Composition of the SGF – Debt Market Segment

Amount in Rupees

S No	Particulars	As on March 31, 2015		As on March 31, 2014
		Core SGF*	Total SGF (including core SGF)	Total SGF*
1	MCCIL Contribution	2,500,000	2,500,000	0
2	MSEI Contribution	0	4,646,483	25,000,000
3	Members' Contribution	0	8,000,000	8,000,000
3.1	- Cash with MSEI	0	0	0
3.2	- Cash with MCCIL	0	8,000,000	8,000,000
3.3	- BG	0	0	0
3.4	- FDR	0	0	0
3.5	- G-Secs	0	0	0
3.6	- Approved Securities	0	0	0
4	Penalties	0	0	0
5	Accrued income on Core SGF	36,875	36,875	0
6	Total	2,536,875	15,183,358	33,000,000

* Core SGF (constituted w.e.f. December 1, 2014) was not applicable as on March 31, 2014.

C) **New Initiatives and Developments**

Recognition from the SEBI as a Clearing Corporation

The clearing and settlement activities for the parent exchange, i.e. Metropolitan Stock Exchange of India Limited (MSEI, formerly known as MCX Stock Exchange Limited), were carried by its own clearing house during the period from October 7, 2008 to February 16, 2009. The functions of the internal clearing house of the MSEI were transferred to Metropolitan Clearing Corporation of India Limited (MCCIL) with effect from February 16, 2009, pursuant to the permission granted by the SEBI in this regard. On April 3, 2013, MCCIL received in-principle the recognition from the SEBI to act as a Clearing Corporation for one year, up to April 2, 2014 in terms of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (SECC) Regulations, 2012. On April 1, 2014, the validity of recognition in-principle was extended by the SEBI for a further period of six months up to October 2, 2014 in terms of the SECC Regulations, 2012. On September 29, 2014, the SEBI further granted recognition to MCCIL as a Clearing Corporation under the SECC Regulations, 2012, for a period of one year from October 3, 2014 to October 2, 2015 and subject to compliance with the conditions specified by the regulator.

Currently, the MCCIL guarantees the settlement of trades undertaken for settlement through novation and acts as a central counterparty. All trades executed on the Currency Derivatives, Capital Market, Futures and Options and Debt Market segments of the MSEI are cleared and settled by the MCCIL.

Shifting to New Location

In the month of September 2014, the Company shifted its corporate office and data center to Bandra Kurla Complex (BKC), Mumbai a prime business location for financial institutions in Mumbai. The new corporate office of the company is located at 4th floor, Vibgyor Towers, Bandra Kurla Complex, Mumbai – 400 098. The new data center is hosted within the state of art data center hosting facility provided by the Tata Communications Limited at BKC.

Implementation of the Core SGF

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 will be used to fulfill the obligations of that member to 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%). The Core SGF also includes penalties levied by the Clearing Corporation and accruals from investment of the core SGF.

Upgradation of the reporting and settlement platform for Over The Counter (OTC) deals in debt instruments

The company has successfully deployed the upgraded reporting and settlement platform for OTC deals in debt instruments. The new platform comes with additional features and improved user interface to facilitate settlement of OTC deals in corporate bonds, securitized debt instruments, commercial papers and certificate of deposits.

MCCIL was allotted Legal Entity Identifier (LEI) number

The LEI is a globally compatible 20-character unique identity code assigned to entities which are parties to a financial transaction. The Reserve Bank of India had selected the Clearing Corporation of India Ltd. (CCIL) to act as a Local Operating Unit (LOU) for issuing LEIs in India. The use of the LEI numbers is likely to be mandated for OTC derivative transactions and large borrowers in a phased manner to begin with. Based on the company's application for LEI number, CCIL allotted the LEI number '335800QRNLKAHGA1BL68' to the Metropolitan Clearing Corporation of India Limited.

Renewal of ISO certification

MCCIL follows well defined operating procedures and clearly defined service standards to provide qualitative and timely services to members. Considering the sensitive nature of its business, the company adheres to stringent information security standards. The MCCIL is the only Indian Clearing Corporation to have obtained ISO certifications for quality management system (ISO 9001-2008) and information security management system (ISO 27001-2005) from the first year of operations. The above certification was renewed for one more year in the month of September 2014.

3. REGULATORY UPDATES

Recognition from the SEBI as a Clearing Corporation

The clearing and settlement activities of the parent exchange, i.e. Metropolitan Stock Exchange of India Limited (MSEI, formerly known as MCX Stock Exchange Limited), was carried by its own clearing house during the period from October 7, 2008 to February 16, 2009. The functions of the internal clearing house of the MSEI were transferred to MCCIL with effect from February 16, 2009, pursuant to the permission granted by the SEBI in this regard. On April 3, 2013, MCCIL had received in-principle

recognition from the SEBI to act as a Clearing Corporation for one year, up to April 2, 2014 in terms of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (SECC) Regulations, 2012. On April 1, 2014, the validity of the in-principle recognition was extended by the SEBI for a further period of six months, up to October 2, 2014, in terms of the SECC Regulations, 2012. On September 29, 2014, the SEBI granted recognition to MCCIL as a Clearing Corporation under the SECC Regulations, 2012, for a period of one year from October 3, 2014 to October 2, 2015 and subject to compliance with the conditions specified by the SEBI.

Currently, the MCCIL guarantees the settlement of trades undertaken for settlement through novation and acts as a central counterparty. All trades executed on the Currency Derivatives, Capital Market, Futures and Options and Debt Market segments of the MSEI are cleared and settled by the MCCIL.

Merger of the FMC with the SEBI

The Finance Minister announced merger of FMC with the SEBI in the Union Budget speech of FY 2015-16 and the Finance Bill, 2015 set out roadmap for the merger by repealing the Forward Contracts (Regulation) Act, 1952 and amendment of the Securities Contracts (Regulation) Act, 1956.

SEBI Board in its meeting held on August 24, 2015 has approved the draft amendment to the regulations to be notified on September 28, 2015 pursuant to the proposed repealing of the Forward Contracts Regulation Act, 1952 (FCRA) making way for merger of Forward Market Commission with SEBI. These regulations will enable functioning of the commodities derivatives market and its brokers under SEBI norms and integration of commodities derivatives and securities trading in an orderly manner. The draft regulations provide for compliance of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations) which are currently required to be complied with by stock exchanges. The major compliances include norms related to net-worth, shareholding norms, composition of board, availing services of a clearing corporation, corporatisation and demutualisation and setting up of various committees, turnover, infrastructure etc. To ensure non-disruptive transition, SEBI has prescribed certain timelines for activities for aligning to the different provisions of SECC Regulations

SEBI in its press release dated August 24, 2015 has also declared that an expert committee, the 'Committee on Clearing Corporation' constituted under the Chairmanship of Shri K V Kamath, to *inter-alia* examine viability of Single Clearing Corporation or interoperability between multiple Clearing Corporations and other issues relating to Clearing Corporations, has submitted its final report to SEBI in July, 2015 with recommendations (subject to public comments) on the following issues:-

- Interoperability between Clearing Corporations.
- Investment by Clearing Corporation.
- Review of Transfer of 25% profits every year by recognised Stock Exchanges to recognised Clearing Corporations.

- Review of Transfer of 25% profits every year by Depositories to their Investor Protection Fund (IPF).
- Liquid assets for the purpose of calculation of Networth of a Clearing Corporation.

4. DIVIDEND AND RESERVES

As per regulation 14(4) of Securities Contracts (Regulation) (Stock Exchanges and clearing corporations) Regulations, 2012, a recognized Clearing Corporation shall not distribute profits in any manner to its shareholders until it achieves a minimum Networth of Rupees Three Hundred Crore within a period of three years from the date of recognition granted under the regulations.

5. OUTLOOK FOR THE CURRENT YEAR

Your Company currently provides clearing and settlement services exclusively to the Metropolitan Stock Exchange of India Limited (MSEI) in respect of all the four segments namely; Currency Derivatives, Equity Derivatives, Equity Cash Market and Debt Segment. Therefore the outlook and performance of the company is dependent on the performance of MSEI in these segments.

On 20th June 2014, SEBI and RBI opened up the Currency Derivative Segments for the Foreign Portfolio Investors, (FPIs) and relaxed the position limits. The RBI also permitted the Banks to trade in Currency Derivatives Segment. The revised measures were applicable from 27th June 2014. This has resulted in MSEI attracting FPI clients to its platform and their participation is likely to further improve in the current year in terms of number of clients, open interest and turnover.

As part of the turnaround strategy of the parent Exchange MSEI, the company shifted its corporate office to the premises of MSEI in premier Business District – BKC in Mumbai. The company has shifted its data center from Exchange Square to the facility provided by the reputed data center provider Tata Communications Limited. These changes have resulted in significant reduction in cost while maintaining world class service standards. The exchange had also changed its name from MCX Stock Exchange Limited to Metropolitan Stock Exchange of India Limited with due approval from the SEBI and Registrar of Companies (RoC).

MSEI could ensure complete exit of Financial Technologies (India) Limited (FTIL) from its shareholding (including warrants) and simultaneous entry of a new set of investors as their shareholders. With this major positive development, the Exchange could comply with one of the recognition condition requirement specified by the SEBI and the regulator had allowed the exchange to resume launch of contracts in various segments.

The exchange could attract more than 100 companies to list in its equity cash segment by demonstrating various unique services especially designed for companies and reasonable fees structure. The exchange expects that many more companies would join in the near future.

The rights issue of MSEI which opened on June 9, 2015 and closed on July 8, 2015 garnered good response and mobilised Rs. 75 crore.

The company believes that the above developments will improve the sentiments of potential investors of MSEI and restore the faith of the market participants on the turnaround of the exchange, which in turn would benefit the company to meet its regulatory networth requirements and revenue potential.

6. SHARE CAPITAL

The paid up Share Capital of the Company as on March 31, 2015 was Rs.25,00,00,000/- divided into 2,50,00,000 Equity shares of Rs.10/- each. The shareholding pattern was as under:

Sr. No.	Name of Shareholder	No. of shares of Rs. 10/- each	Percentage
1.	MCX Stock Exchange Ltd.	1,27,50,000	51%
2.	Multi Commodity Exchange of India Ltd.	65,00,000	26%
3.	Financial Technologies (India) Ltd.	57,50,000	23%
	Total	2,50,00,000	100%

Vide order dated March 19, 2014 SEBI has directed FTIL inter-alia to divest equity shares held in MCCIL directly or indirectly within 90 days of order. Further vide same order SEBI stated that FTIL and entities through whom it indirectly hold equity shares or any instrument entitling voting rights in MCCIL shall cease to be entitled to exercise voting rights in respect of those shares or instrument with immediate effect. The Securities Appellate Tribunal (SAT) has since its order dated July 09, 2014 upheld the decision of SEBI.

In the EGM held on June 16, 2015, shareholders of Metropolitan Clearing Corporation of India Limited (MCCIL) passed a special resolution unanimously to amend the Articles of Association of the Company to include provisions for certain restrictions on shareholding and divestment of shareholding, of such persons held to be 'not fit and proper persons' by any competent court or regulatory authorities and/ or holding shares in excess of the percentage that they are entitled to hold as per SECC Regulations, by insertion of new articles.

This amendment has been carried out with the objective to transfer entire shareholding of Financial Technologies (India) Limited (FTIL) and excess shareholding of Multi Commodity Exchange Limited (MCX) to demat escrow account to be operated by the Board of Directors of MCCIL, to ensure compliance with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

These amendments have been sent for publication in Central and State Gazette notification on June 17, 2015 which is in progress. Thereafter, it will be submitted to SEBI for approval.

In the EGM held on July 1, 2015, shareholders of MCCIL passed a special resolution unanimously to increase the Authorized Share Capital of the Company from existing Rs.25,00,00,000 (Rupees Twenty Five Crore) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity shares of Rs.10 (Rupees Ten) each to Rs.100,00,00,000 (Rupees One Hundred Crore) divided into 10,00,00,000 (Ten Crore) Equity shares of Rs. 10 (Rupees

Ten) each ranking pari passu in all respect with the existing Equity Shares of the Company.

In the same EGM held on July 1, 2015, a special resolution was passed by shareholders of the Company for issue of Equity Shares of the face value of Rs.10 each for cash at par, in one or more tranches, to Metropolitan Stock Exchange of India Limited (MSEI) aggregating to Rs.75 crore through preferential allotment. This was done with the objective to achieve networth of Rs.100 crores to fulfill the condition stipulated by SEBI in its letter dated September 29, 2014 granting recognition as clearing corporation.

Thereafter, further allotment of 2,00,00,000 equity shares of Rs. 10 each for cash at par in the first tranche, was made to MSEI on a preferential basis on July 2, 2015. With this the paid up share capital of the Company increased to Rs.45,00,00,000/- divided into 4,50,00,000 Equity shares of Rs.10/- each. The shareholding pattern is now as under:

Sr. No.	Name of Shareholder	No. of shares of Rs. 10/- each	Percentage
1.	MCX Stock Exchange Ltd.	3,27,50,000	72.78%
2.	Multi Commodity Exchange of India Ltd.	65,00,000	14.44%
3.	Financial Technologies (India) Ltd.	57,50,000	12.78%
	Total	4,50,00,000	100%

Vide order dated March 19, 2014 SEBI has directed FTIL inter-alia to divest equity shares held in MCCIL directly or indirectly within 90 days of order. Further vide same order SEBI stated that FTIL and entities through whom it indirectly hold equity shares or any instrument entitling voting rights in MCCIL shall cease to be entitled to exercise voting rights in respect of those shares or instrument with immediate effect. The Securities Appellate Tribunal (SAT) has since its order dated July 09, 2014 upheld the decision of SEBI.

7. DIRECTORS

No director is liable to retire by rotation at the ensuing Annual General Meeting as Governing Board comprises of Public Interest Directors, Shareholder Directors and Managing Director who are all appointed subsequent to approval of SEBI.

As per the SECC Regulations, the Governing Board of a clearing corporation shall comprise of i) Shareholder Directors; ii) Public Interest Directors (PIDs) and iii) Managing Director. Further the number of Public interest directors of a recognized clearing corporation shall not be less than two-third, and shareholder directors shall not exceed one-third of its governing board strength. The Managing Director shall be ex-officio director on the governing board and shall not be included in either the category of the Public Interest directors or shareholder directors.

Your Company is in compliance with the above regulations and the Board currently consists of Mr. Vepa Kamesam, Dr. M.Y. Khan and Mr. P.K. Chhokra as Public Interest Directors.

Further, the Board had vide circular resolution dated April 4, 2014 approved appointment of Mr. Saurabh Sarkar as shareholder director on the Board of the Company which was duly approved by the Shareholders in their EGM held on 24th July

2014. SEBI's approval on the candidature of Mr. Sarkar has been obtained vide letter no. MRD/DRMNP/OW/25889/2014 dated September 3, 2014.

Considering that Mr. Saurabh Sarkar has been appointed by the shareholders at their EGM held on July 24, 2014 and SEBI's approval has been obtained on September 3, 2014, the matter with respect to the Director retiring by rotation at the ensuing Annual General Meeting is not being considered.

SEBI approved the appointment of Mr. Udai Kumar as Managing Director of the Company vide letter dated March 19, 2015 and he joined the office w.e.f. April 6, 2015.

At present the Company's governing board consists of 3 Public Interest Directors, 1 Shareholder Director and the Managing Director.

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 and 24 read with Regulation 35 of the SECC Regulations, 2012, the Company vide its resolution passed in Extraordinary General Meeting held on March 31, 2015 to confirm appointment of the three Public Interest Directors viz. Mr. Vepa Kamesam, Dr. M.Y. Khan and Mr. P.K. Chhokra as Independent Directors, for a term that shall be coterminous with their term (i.e. June 19, 2016) as a Public Interest Director and that they shall not be liable to retire by rotation as stipulated under Section 149 (13) of the Companies Act, 2013.

All independent directors have given declarations that they meet the criteria of independence as laid down u/s 149(6) of the Companies Act, 2013 and Clause 49 of the listing agreement.

8. MANAGEMENT

Mr. U. Venkataraman, resigned and relieved from the services w.e.f. March 4, 2015 as the Managing Director and CEO. Mr. Balu Nair, Head – Operations, was authorized by the Board of the Company to carry out the day to day activities of the Company during the period from March 5, 2015 to April 5, 2015.

SEBI approved appointment of Mr. Udai Kumar as Managing Director vide letter dated March 19, 2015. Mr. Udai Kumar took over charge of the affairs of the Company w.e.f. April 6, 2015.

9. HUMAN RESOURCES

During financial year 2014-15, emphasis was given to Human Resource Planning with the objective of optimum utilization of existing manpower. The total strength of employees as on March 31, 2015 was 22.

10. AUDITORS

M/s Kirtane & Pandit, Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the Company and have intimated their willingness for re-appointment for the financial year 2015-16. The Board of Directors at their meeting held on May 19, 2015, on the recommendation of the Audit Committee, recommended the appointment of M/s. Kirtane & Pandit, Chartered Accountants, Mumbai at the ensuing Annual General Meeting by the shareholders.

11. AUDIT COMMITTEE

As per section 292A of the Companies Act, 1956, the Company has constituted an Audit Committee of the Board on April 17, 2009. In view of vacation of office of Mr. Vinod Kumar Khanna, Public Interest Director u/s 167(1)(b) of Companies Act, 2013 w.e.f September 17, 2014 and Mr. U. Venkataraman, former Managing Director and CEO relieved from the services w.e.f March 4, 2015 subsequent to his resignation, the Audit Committee was reconstituted. The current composition of the reconstituted Audit Committee is as follows:

- Dr. M.Y. Khan, Chairman and Public Interest Director
- Mr. P.K. Chhokra, Public Interest Director
- Mr. Udai Kumar, Managing Director

The Audit Committee met four times during the Financial Year 2014-15 to transact the business.

12. DEPOSITS

The Company has not accepted any public deposits during the last financial year.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A) Conservation of Energy, Technology Absorption

In view of the nature of activities which are being carried out by the Company, Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 concerning conservation of energy and technology absorption, respectively, are not applicable to the Company. At MCX-SX CCL, a conscious effort is undertaken to minimize the negative effects of its footprint on the environment. The Company strives to optimize energy usage and reduce its wastage. The main office building which is occupied on lease and license basis is aligned with the best global practices for conserving energy. Certified for Energy Management System ISO 14001:2004, MCX-SX has well-defined environment and e-waste policies, wherein it has tied up with certified e-waste recycling enterprises for disposal of its office e-waste in a safe and environment-friendly manner.

B) Foreign Exchange earnings and outgo during the year under review

There were no foreign exchange earnings or expenditure during the period under review. The Company does not directly contribute to export growth. However, by offering clearing and settlement services in currency futures contracts, it facilitates corporates, exporters and importers to hedge their currency risk.

14. PARTICULARS OF EMPLOYEES

The details of the employees of the Company who fall within the purview of Section 134(3(q)) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and also with regulation 27(5) of the SECC Regulations 2012 are annexed as Annexure - A.

15. SWEAT EQUITY SHARES

The Company did not issue any sweat equity shares and hence the requirements of Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014 are not applicable to the Company.

16. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of clause 49 of the listing agreement, the Corporate Governance Report along with certificate issued by M/s. Kirtane & Pandit, Chartered Accountants, and Management Discussion and Analysis Report are attached and form part of this report.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, make following statements that:-

- (i) The applicable Accounting Standards have been followed in the preparation of the annual accounts along with the proper explanation relating to material departure, if any.
- (ii) Such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss for the said financial year ended March 31, 2015.
- (iii) Proper and sufficient care has been taken 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 fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis
- (v) The proper internal financial controls were in place and that such internal financial controls are adequate and were operating effectively.

- (vi) The systems to ensure compliance with the provisions of all applicable laws were in place and such systems were adequate and operating effectively.

18. BUY-BACK OF SHARES

As during the last financial year your Company did not have any scheme of buyback of shares, the requirements specified in the Companies Act, 2013/ Rule 17 of the Companies (Share Capital and Debentures) Rules, 2014 are not applicable to the Company.

19. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to the Company's employees for their enormous personal efforts as well as their collective contribution to enable the Company to meet the challenges set before it. The Directors would also like to place on record their gratitude for the valuable guidance and support received from Securities and Exchange Board of India, Reserve Bank of India, clearing members, banks, clearing banks, technology providers and all other business associates for the confidence reposed by them in your Company's Management.

For and on behalf of the Board of Directors

Date: August 27, 2015
Place: Mumbai

Sd/-
Dr. M.Y. Khan
Public Interest Director
DIN: 03185713

Sd/-
Udai Kumar
Managing Director
DIN: 06750460

Management Discussion and Analysis Report

Economic Scenario

The world economy is believed to strengthen in 2015 though the growth rate would be lower than projected earlier. As per the revised projection the growth forecast for global economy stands at 3.2% for 2015. It is forecasted that the developing countries will continue to grow at a rate of 5.1% in 2015. On the other hand, growth in developed nations is expected to be at 2.4% for 2015. Although there has been a gradual recovery in the economies of both developing and developed countries, the effects of the financial crisis of 2007-08 are still having an impact on the prospects of these economies. Higher unemployment rates and unstable public finances are the major challenges that most economies of the world are facing currently.

The US, China and Japan are expected to lower its external deficit. The deficit of economies of oil-producing nations is projected to increase in 2015, suggesting a weakening in external demand from deficit-hit countries. Economists are of the opinion that although inflation levels in developed nations will increase slightly in 2015; the EU might be heading to deflation. Most economists are of the belief that the effects of phasing out quantitative easing (QE) may be seen in the US economy in 2015. Concerns about increase in the long-term interest rates and the threat of geopolitical tensions are challenges for the US economy in 2015.

India is set to emerge as the world's fastest-growing major economy by 2015 ahead of China, as per the recent report by the World Bank. India's Gross Domestic Product (GDP) is expected to grow at 7.5 per cent in 2015, as per the report. The improvement in India's economic fundamentals has accelerated in the year 2015 with the combined impact of strong government reforms, RBI's inflation focus supported by benign global commodity prices.

According IMF World Economic Outlook April, 2015, India ranks seventh globally in terms of GDP at current prices and is expected to grow at 7.5 per cent in 2016. India's economy has witnessed a significant economic growth in the recent past, growing by 7.3 per cent in 2015 as against 6.9 per cent in 2014. The size of the Indian economy is estimated to be at Rs 129.57 trillion (US\$ 2.01 trillion) for the year 2014 compared to Rs 7118.23 trillion (US\$ 1.84 trillion) in 2013. The steps taken by the government in recent years have shown positive future prospects as India's gross domestic product (GDP) at factor cost at constant (2011-12) prices for 2014-15 is Rs 106.4 trillion (US\$ 1.596 trillion), as against Rs 99.21 trillion (US\$ 1.488 trillion) in 2013-14, registering a growth rate of 7.3 per cent. The economic activities which witnessed significant growth were 'financing, insurance, real estate and business services' at 11.5 per cent and 'trade, hotels, transport, communication services' at 10.7 per cent.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Make in India initiative is expected to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to

benefiting investors. Currently, the manufacturing sector in India contributes over 15 per cent of the GDP. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP. Digital India initiative focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Trends in Capital Market and Policy

Since the election of the new business-friendly government, global investors have embraced its domestic reform strategy. Encouraged by the country's improving economy and a new investing regime, international investment in Indian securities has reached new heights.

Indian markets have performed excellent amongst the major World indices. Indian markets reached historic high levels on March 4, 2015 when Sensex closed at 30024.74 and Nifty closed at 9119.20. FPIs net investment in the Indian markets has been to the tune of US\$ 42.7 billion in the calendar year 2014 (January, 2014- December 31, 2014) as compared to the US\$ 12.13 billion in the entire year of 2013. On the global front, the qualitative and quantitative easing of Japan has a positive impact on Indian market in anticipation of surge in liquidity. Furthermore, OECD countries have revealed that India's economy will accelerate in 2015/16. The OECD countries have raised India's growth outlook to 6.6% in 2015/16, up from its last forecast of 5.7%. Growth in May also had an positive interpretation among investors.

The new regime of Foreign Portfolio Investors (FPI) has simplified investing in Indian securities. Since then, more than US\$40 billion has flowed into the country's equities and bonds from 1 June 2014 to 1 June 2015, driving a rally in both equity and bond prices. The FPI regime has simplified market entry by introducing a single window for foreign investors wishing to enter through the Portfolio Investment Scheme by merging the Foreign Institutional Investor (FII) scheme and the sub-account /Qualified Foreign Investor scheme into the FPI regime). It has also streamlined the process by delegating authority for granting FPI registration to Designated Depository Participants (DDPs) and introducing a risk-based approach to Know-Your-Client (KYC) requirements.

Further the recent regulatory changes have been introduced specifically to encourage foreign investors. Notably, the RBI extended its securities settlement term for debt securities in March 2015 from T+1 to T+2, giving firms settling through global custodians so that local sub-custodians can have more time to settle. The RBI then, in April, relaxed the limit on foreign holdings of government securities. While the US\$30 billion limit still stands for original investments, the coupons on bonds can be reinvested. Additionally, if a foreign investor sells a holding in government securities, it can reinvest the same value of government securities on the same day or next day (in case of funds received on Saturday or a holiday).

However, the mutual fund industry in India has yet to take off given the fact that mutual funds represents just 5-6% of GDP, compared with 40% in Brazil and 31% in South Africa. Only 1.8% of household savings are invested in mutual funds, although India has a 32.2% savings rate. India's mutual fund industry with 44 asset management companies manage total assets of US\$190 billion, which grew by less than 20% in total from 2007 to 2014.

In order to boost growth in assets, SEBI is encouraging mutual fund houses to market funds outside India's top 15 cities. Additionally, SEBI is boosting confidence in mutual funds by requiring their sponsors to inject seed capital equivalent to 1% of assets or INR5 million (approximately US\$80,000).

Opportunities and Threats

Your Company was granted recognition as a Clearing Corporation under the Regulation 4 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 by the SEBI on September 29, 2014. Your Company is also designated as a Qualified Central Counter Party (QCCP) by the SEBI. Your Company is registered with both the depositories (i.e. NSDL & CDSL) as a Clearing Corporation as well as a SEBI registered Depository Participant. The MCCIL is also a SEBI registered approved Intermediary under the SEBI's Securities Lending Scheme 1997 for a period of three years from June 1, 2013 to May 31, 2016. The MCCIL is authorized by the RBI and the SEBI, to settle OTC deals in Corporate Bonds, Structured Debt Instruments, CPs and CDs reported in RBI approved reporting platforms. The MCCIL is also authorized by the RBI under section 10 of FEMA to carry out Trading and Clearing & Settlement activities respectively, for currency derivatives contracts.

The competitive structure of Stock Exchanges and Clearing Corporations in India presents a threat to the business of the Company. The Competitive landscape is quite skewed wherein dominant players are enjoying significant market share and have strong financial position.

The Finance Minister announced merger of FMC with the SEBI in the Union Budget speech of FY 2015-16 and the Finance Bill, 2015 set out roadmap for the merger by repealing the Forward Contracts (Regulation) Act, 1952 and amendment of the Securities Contracts (Regulation) Act, 1956.

SEBI Board in its meeting held on August 24, 2015 has approved the draft amendment to the regulations to be notified on September 28, 2015 pursuant to the proposed repealing of the Forward Contracts Regulation Act, 1952 (FCRA) making way for merger of Forward Market Commission with SEBI. These regulations will enable functioning of the commodities derivatives market and its brokers under SEBI norms and integration of commodities derivatives and securities trading in an orderly manner. The draft regulations provide for compliance of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations) which are currently required to be complied with by stock exchanges. The major compliances include norms related to net-worth, shareholding norms, composition of

board, availing services of a clearing corporation, corporatisation and demutualisation and setting up of various committees, turnover, infrastructure etc. To ensure non-disruptive transition, SEBI has prescribed certain timelines for activities for aligning to the different provisions of SECC Regulations.

Among other things, the draft regulations require commodity exchanges to avail services of a clearing corporation in 3 years from the date of merger. This would open up possibilities to the Clearing Corporation for partnering with the existing commodity exchanges to offer clearing and settlement services.

However, to tap such opportunities as stated above, the clearing corporation may have to comply with minimum networth requirement and shareholding requirements as per SECC Regulations, 2012. The Company is on its path to achieve the requisite shareholding structure as stipulated by the regulator and has increased its networth. However, it would require further infusion of funds, predominantly from its parent stock exchange, Metropolitan Stock Exchange of India Limited (MSEI) to achieve networth as stipulated by the regulator.

SEBI in its press release dated August 24, 2015 has also declared that an expert committee, the 'Committee on Clearing Corporation' constituted under the Chairmanship of Shri K V Kamath, to inter-alia examine viability of Single Clearing Corporation or interoperability between multiple Clearing Corporations and other issues relating to Clearing Corporations, has submitted its final report to SEBI in July, 2015 with recommendations (subject to public comments) on the following issues:-

- Interoperability between Clearing Corporations.
- Investment by Clearing Corporation.
- Review of Transfer of 25% profits every year by recognised Stock Exchanges to recognised Clearing Corporations.
- Review of Transfer of 25% profits every year by Depositories to their Investor Protection Fund (IPF).
- Liquid assets for the purpose of calculation of Networth of a Clearing Corporation.

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. The general risk areas are statutory compliances, economy, financial, government regulations and policies, market related, operational, products and technology, intellectual property etc.

The Company 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 Company has implemented effective control systems to ensure that all its assets, interests and information are safeguarded with proper checks and balances. The Company has appointed Internal Auditors and System Auditors to ensure that the financial transactions, operational mechanism and technological infrastructure are error free. The Statutory Auditors are appointed by the Company as per the extant regulatory guidelines. 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	Amount in Rs. crores	
	2014-15	2013-14
Revenue from operations	14.80	32.18
Profit before Interest, Depreciation, Tax and Exceptional Items	1.20	0.21
Profit before tax	1.38	0.13
Cash profit	1.53	0.21
Net profit	1.38	0.13

2. Revenue and operating expenses

The Company earned total revenues of INR 14.80 crore from operations during the year ended March, 2015 as against INR 32.18 crore in the year ended March, 2014. The decrease in revenue was mainly due to decrease in clearing and settlement fees received on turnover generated in Currency Derivative Segment of MCX-SX.

3. Operating profit before depreciation and amortization and exceptional items

The Company earned EBITDA of INR 1.20 crore for the year ended March, 2015 as compared to INR 0.21 crore during the previous year ended March, 2014. The EBITDA margin for the year 2014 - 2015 was 6.83% as against 0.56% for the year 2013-14.

4. Depreciation and Amortization

The depreciation and amortization charges were INR 0.16 crore for the year ended March, 2015 as against INR 0.08 crore for the year ended March, 2014. This increase in depreciation was consequent to Schedule II to the Companies Act, 2013, becoming applicable w.e.f. from April 1, 2014 and depreciation for the year ended March 31, 2015 being provided on the basis of useful lives as prescribed in the Schedule II.

5. Profit after tax

The profit after tax stood at INR 1.38 crore for the year 2014 - 2015 as compared to a profit of INR 0.13 crore for the year 2013 - 2014.

6. Balance Sheet

As on March 31, 2015, the Company had total assets of INR 115.18 crore and shareholders' funds at INR 29.56 crore. The Company is debt-free as on March 31, 2015.

Material Developments in Human Resources

The Company has rationalized its manpower during the year and headcount stood at 22 as at March 31, 2015.

Disclaimer

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. There are certain provisional statistics used in the report.

Annexures to Directors' Report

Annexure – A

Statement pursuant to Regulation 27(5) of the SECC Regulations 2012

Sr. No.	Name	Age In Yrs.	Designation	Remuneration received (GROSS Rs)	Qualifications	Experience no. of Yrs.	Date of commencement of employment	Last employment held by such employee before joining the company
1	U Venkataraman ¹	61	MD & CEO	7,431,340	BBM / BBA	39	17-Apr-09	IDBI Bank
2	Balu Nair	37	Vice President	4,463,096	BBM / BBA, MBA	14	18-Feb-09	National Stock Exchange of India Ltd.
3	Partha Sarathi Sen ²	43	CFO	1,921,111	B.Com, ICWA, CA	16	1-Nov-09	ICICI Bank Ltd.
4	Fardeen Siddiquee ³	33	Assistant Vice President	1,993,974	B.Com, MMS	11	2-Apr-12	DBOI Global Services Pvt Ltd
5	Prasad Sawant ⁴	27	Company Secretary	679,159	B.Com, LLB, CS	3	3-Nov-14	MCX Stock Exchange Ltd.
6	Ameya Paranjape ⁵	35	Company Secretary	18,00,000	B.Com, LLB, ACS	11	30-Apr-13	Aegis Limited

Notes:

¹Mr. U. Venkataraman, resigned and relieved from the services w.e.f March 4, 2015 as the Managing Director and CEO

²Mr. Partha Sarathi Sen, resigned and relieved from the services w.e.f July 15, 2015 as the CFO

³Mr. Fardeen Siddiquee, resigned and relieved from the services w.e.f February 23, 2015 as Assistant Vice President

⁴Mr. Prasad Sawant, resigned and relieved from the services w.e.f February 28, 2015 as Company Secretary

⁵Mr. Ameya Paranjape, resigned and relieved from the services w.e.f July 15, 2014 as Company Secretary

- All other employees listed above are/were in permanent employment of the Company in accordance with terms and conditions of employment agreed with them and the service rules of the company.
- None of the employees is holding any equity shares in the Company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of Section 217 of the Companies Act, 1956.
- None of the above employees were related to any Director of the Company.

For and on behalf of the Board of Directors

Date: August 27, 2015

Place: Mumbai

Sd/-
Dr. M.Y. Khan
Public Interest Director
DIN: 03185713

Sd/-
Udai Kumar
Managing Director
DIN: 06750460

Annexure - B

Form No. AOC – 2

(Pursuant to clause (h) 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 contracts or arrangements 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
Metropolitan Stock Exchange of India Limited (Holding Company)	Agreement for providing Clearing & Settlement Services	Perpetual	MCXSCCL on behalf of MSEI would be clearing and settling the trades done on the Exchange. Rs. 12,45,41,005/-	-	-
	Agreement for sharing resources	Perpetual	Installation, Maintenance and support of DOME and CNS Software and networking infrastructure by FTIL in terms of FTIL agreements. Rs. 14,02,22,210/-.	-	-
	Sub-License Agreement	From Sep 01, 2014 to Mar 14, 2018 (For BKC). From May 01, 2015 to Oct 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, MCXSCCL and FTIL	Perpetual	Agreement to call upon MCXSCCL to pay amounts under the agreements dated 25th August 2008 and 15th September 2008, in case of default by MSEI.	-	-

For and on behalf of the Board of Directors

Date: August 27, 2015
Place: Mumbai

Sd/-
Dr. M.Y. Khan
Public Interest Director
DIN: 03185713

Sd/-
Udai Kumar
Managing Director
DIN: 06750460

Form No. MGT-9

EXTRACT OF ANNUAL RETURNS 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]

REGISTRATION AND OTHER DETAILS:

CIN	U67120MH2008PLC188032
Registration Date	November 7, 2008
Name of the Company	Metropolitan Clearing Corporation of India Limited
Category / Sub-Category of the Company	Public unlisted
Address of the Registered office and contact details	Exchange Square, Suren Road, Chakala, Andheri (East) – 400093
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Pvt. Ltd. Selenium Tower B, Plot number 31 & 32, Financial District Gachibowli, Hyderabad- 500 032, Telangana.

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Clearing and Settlement of trades executed on the stock exchange	661661166110	100%

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held
Metropolitan Stock Exchange of India Limited	U65999MH2008PLC185856	Holding	72.78

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
	Demat	Physical	Total	%	Demat	Physical	Total	%	
Promoter	1,27,49,996	4	1,27,50,000	51	1,27,49,996	4	1,27,50,000	51	--
Indian	--	--	--	--	--	--	--	--	--
Individual/ HUF	--	--	--	--	--	--	--	--	--
Central Govt	--	--	--	--	--	--	--	--	--
State Govt(s)	--	--	--	--	--	--	--	--	--
Bodies Corp	1,22,50,000	--	1,22,50,000	49	1,22,50,000	--	1,22,50,000	49	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other	--	--	--	--	--	--	--	--	--
Sub-total(A)(1):-	2,49,99,996	4	2,50,00,000	100	2,50,00,000	--	2,50,00,000	100	--
Foreign	--	--	--	--	--	--	--	--	--
NRIs- Individuals	--	--	--	--	--	--	--	--	--
Other- Individuals	--	--	--	--	--	--	--	--	--

Metropolitan Clearing Corporation of India Limited
(Formerly known as MCX-SX Clearing Corporation Limited)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
	Demat	Physical	Total	%	Demat	Physical	Total	%	
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A)(2):-	--	--	--	--	--	--	--	--	--
Public Shareholding	--	--	--	--	--	--	--	--	--
Institutions	--	--	--	--	--	--	--	--	--
Mutual Funds	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Central Govt	--	--	--	--	--	--	--	--	--
State Govt(s)	--	--	--	--	--	--	--	--	--
Venture Capital Funds	--	--	--	--	--	--	--	--	--
Insurance Companies	--	--	--	--	--	--	--	--	--
FIs	--	--	--	--	--	--	--	--	--
Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1)	--	--	--	--	--	--	--	--	--
2.Non Institutions	--	--	--	--	--	--	--	--	--
Bodies Corp. (i) Indian (ii) Overseas	--	--	--	--	--	--	--	--	--
Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--	--	--	--	--	--
Others(Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(2)	--	--	--	--	--	--	--	--	--
Total Public Shareholding (B)=(B)(1)+ (B)(2)	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs &	--	--	--	--	--	--	--	--	--

Metropolitan Clearing Corporation of India Limited
(Formerly known as MCX-SX Clearing Corporation Limited)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
	Demat	Physical	Total	%	Demat	Physical	Total	%	
ADRs									
Grand Total (A+B+C)	2,49,99,996	4	2,50,00,000	100	2,49,99,996	4	2,50,00,000	100	--

Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Metropolitan Stock Exchange of India Limited	1,27,75,000	51	-	1,27,75,000	51	-	--
Total	1,27,75,000	51	-	1,27,75,000	51	-	--

Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	--	--	--	--
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
At the End of the year	--	--	--	--

INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	--	--	--	--
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year	--	--	--	--
- Addition				
- Reduction				
Net Change	--	--	--	--
Indebtedness at the end of the financial year	--	--	--	--

i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	--	--	--	--

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Particulars of Remuneration	U. Venkataraman	Total
	Amount in INR	Amount in INR
Gross salary		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	97,36,031	97,36,031
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,68,327	3,68,327
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--
Stock Option		
Sweat Equity		
Commission	--	--
- as % of profit		
- others, specify...		
Others, please specify	--	--
Total (A)	1,01,04,358	101,04,358

B. Remuneration to other directors:

Amount in INR

Particulars of Remuneration	Vepa Kamesam	Dr. M.Y. Khan	P. K. Chhokra	Total Amount
	Independent Directors			
· Fee for attending board committee meetings	5,88,000	8,18,000	4,88,000	18,94,000
· Commission				
· Others, please specify	--	--	--	--
Total (1)	5,88,000	8,18,000	4,88,000	18,94,000
Other Non-Executive Directors				
· Fee for attending board committee meetings	--	--	--	--
· Commission				
· Others, please specify	--	--	--	--
Total (2)	--	--	--	--
Total (B)=(1+2)	5,88,000	8,18,000	4,88,000	18,94,000
Total Managerial Remuneration	5,88,000	8,18,000	4,88,000	18,94,000
Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Particulars of Remuneration	Key Management Personnel Amount in INR		
	Balu Nair	Partha Sen	Total
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42,59,342	18,46,932	61,06,274
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
Stock Option	--	--	--
Sweat Equity	--	--	--

Metropolitan Clearing Corporation of India Limited
(Formerly known as MCX-SX Clearing Corporation Limited)

Particulars of Remuneration	Key Management Personnel Amount in INR		
	Balu Nair	Partha Sen	Total
Commission - as % of profit - others, specify...	--	--	--
Others, please specify	--	--	--
Total	42,59,342	18,46,932	61,06,274

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. Directors					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. Other Officers In Default					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

For and on behalf of the Board of Directors

Date: August 27, 2015
Place: Mumbai

Sd/-
Dr. M.Y. Khan
Public Interest Director
DIN: 03185713

Sd/-
Udai Kumar
Managing Director
DIN: 06750460

Annexure - D

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	Mr. Vepa Kamesam Chairman and Public Interest Director	203%	0.88:1
2	Dr. M. Y. Khan Public Interest Director	210%	1.23:1
3	Mr. P. K. Chhokra Public Interest Director	244%	0.73:1
4	Mr. Saurabh Sarkar Shareholder Director	Nil	Nil
5	Mr. Balu Nair, VP - Operations	Nil	7.05:1
6	Mr. Partha Sarathi Sen, CFO	Nil	2.96:1
7	Mr. U Venkataraman, MD and CEO (resigned on March 04, 2015)	Nil	Not Applicable
8	Mr. Ameya Paranjape, Company Secretary and Compliance Officer (resigned on July 17, 2014)	Nil	Not Applicable
9	Mr. Prayag Vijay Company Secretary and Compliance Officer (resigned on August 28, 2014)	Nil	Not Applicable
10	Mr. Fardeen Siddiquee, AVP (resigned on February 23, 2015)	Nil	Not Applicable
11	Mr. Prasad Sawant Company Secretary (resigned on February 28, 2015)	Nil	Not Applicable

- ii. There is increase in the median remuneration of employees as compared with previous year.
- iii. There were 22 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: There was no change in total remuneration of Key

Managerial Personnel (as per Companies Act 2013 and SECC Regulations) the FY 2014-15 as compared to the FY 2013-14.

- 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.

For and on behalf of the Board of Directors

Date: August 27, 2015
Place: Mumbai

Sd/-
Dr. M.Y. Khan
Public Interest Director
DIN: 03185713

Sd/-
Udai Kumar
Managing Director
DIN: 06750460

Corporate Governance Report

I. Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is founded upon a legacy of fair, ethical and transparent governance practices inherited from its parent company, the Metropolitan Stock Exchange of India Limited.

The Company has been guided by universal business principles of transparency, integrity, professionalism, comprehensive disclosures, and structured accountability. These principles, with fair and transparent disclosures and governance practices, guide your Company's management to serve and protect long-term interests of all its stakeholders and help in sustaining its stakeholder's confidence including shareholders, employees, Corporations/Companies and the communities among which it operates.

The Corporate Governance is an ongoing process is being discharged by the Metropolitan Clearing Corporation of India Limited. To keep pace with an evolving global environment, your Company continuously and persistently adapts best governance practices for carrying its business in ethical and transparent manner.

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

II. Board of Directors:

(A) Composition of the Board:

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

The SEBI vide its letter dated September 29, 2014 had granted the recognition to your Company to act as a Clearing Corporation for a period of one year subject to fulfillment of certain conditions specified. Our Clearing Corporation has already taken steps to comply with these conditions.

The present Board of the Company comprises of 5 Directors viz. three Public Interest Directors, one shareholder Director and one Managing Director. The SECC Regulations require the Public Interest Directors to constitute a minimum of two-third of the total Board strength and number of Shareholder Directors not to exceed one-third of the Board's strength. One of the conditions of aforesaid SEBI letter dated April 1, 2014 was that the Clearing Corporation will appoint Shareholder Director as per the requirement.

Accordingly, the SEBI approved the appointment of Mr. Saurabh Sarkar as a Shareholder Director on the governing board of the Company vide its letter dated September 3, 2014.

(B) Meetings of the Board

As mentioned earlier, your Company is required to adhere to the SEBI Regulations and the Companies Act. All strategic issues, issue of policy nature and issues involving the public interest are required to be placed before the Board in compliance of the SEBI Regulations, the Companies Act and Listing Agreement (to the extent applicable) are necessarily discussed at every Board meeting. The Board also considers matters which in their discretion are necessary to be discussed at the meeting.

During the Financial Year 2014-15, the Board of Directors met Eleven (11) times on May 21, 2014, June 4, 2014, July 17, 2014, July 31, 2014, September 8, 2014, November 3, 2014, November 17, 2014, January 16, 2015, January 27, 2015, February 4, 2015 and February 27, 2015. The Company Secretary prepared the agenda and the explanatory notes, in consultation with the managing director and circulates the same in advance to the Directors. Every Director is free to suggest inclusion of items in the agenda. The Board meets at least once every quarter inter alia to review the quarterly results. Additional Meetings are held, as and when necessary. The Minutes of the proceedings of the Meetings of the Board of Directors are noted and the draft Minutes are circulated amongst the members of the Board for their perusal. Comments, if any, received from the Directors are also incorporated in the Minutes, in consultation with the Chairman. The Minutes are approved by the members of the Board at the next Meeting. The Senior Management Personnel are invited to provide additional inputs for the items being discussed by the Board of Directors as and when necessary. The important decisions concluded at the Board/Committee meetings are communicated to the concerned departments promptly.

The Board of Directors also passed resolutions by circulation on April 5, 2014, July 8, 2014, September 17, 2014, September 22, 2014, October 8, 2014, February 20, 2015 and the same were noted in the following Board meeting of the Company. To add, some other resolutions also were approved by circulation on March 11, 2015, March 17, 2015 and March 19, 2015.

The Board of Directors has complete access to the information within the Company subject to protection of trading data and other confidential information in terms of SEBI guidelines.

The details of Board's composition and in respect of each director, the nature of directorship, the number of meetings attended, directorship in other companies, chairmanship and membership of committees of the Board of other companies as at March 31, 2015 is given below:

Name of the Director	Nature of Directorship	Board Meetings		Attendance at the last AGM	Directorship in other companies (^)	Chairmanship and membership of committees of Board of the other companies (**)	
		Held [#]	Attended			Chairman	Member
Mr. U. Venkataraman% (DIN 02546911)	Managing Director and CEO	11	11	Present	-	-	-
Mr. Vepa Kamesam* (DIN 00542329)	Public Interest Director	11	10	Present	2	1	-
Dr. M.Y. Khan* (DIN 03185713)	Public Interest Director	11	11	Present @@@	-	-	-
Mr. P.K. Chhokra* (DIN 03107873)	Public Interest Director	11	10	Absent	2	-	2
Mr. V.K. Khanna* (DIN 01627707)	Public Interest Director	11	-	Absent	-	-	-
Mr. Saurabh Sarkar (DIN 06390729)	Shareholder Director	11	6	Absent	2	-	2
Mr. Udai Kumar~ (DIN 06750460)	Managing Director	11	-	-	-	-	-

[#]No. of meetings held during the year.
[^] Excludes directorship(s) in Indian Private Companies, Foreign Companies, Section 25 Companies and Alternate Directorships
^{**} Only Audit Committee and Shareholders' Grievance Committee of Indian Public Limited companies have been considered.
^{*} Appointed as Public Interest Director of the Company with effect from June 20, 2013.
[@]@@ Chairman of the Audit Committee.
[%] Demitted the office w.e.f. March 4, 2015
[~] SEBI approved appointment of Mr. Udai Kumar as Managing Director vide letter dated March 19, 2015. Mr. Udai Kumar took over charge of the affairs of the Company w.e.f. April 6, 2015.

Note:
a) None of the Directors listed above is related inter-se.
b) None of the Directors holds the office of Director in more than the permissible number of companies under the Companies Act, 2013.
c) The Committee Chairmanships / Memberships are within the limits laid down in Clause 49 of the Listing Agreement.

III. Board Committees

i. Audit Committee:

The Audit Committee plays a vital role in ensuring high level of governing standards by overseeing, monitoring and advising the Company's management and auditors in conducting audits and preparation of financial statements.

Terms of Reference

Subsequent to notification of Section 177 of the Companies Act, 2013, the Board at its meeting held on November 3, 2014 amended terms of reference. The role and functioning of the Audit Committee are in conformity with Section 177 of the Companies Act, 2013, Clause 49 of the Listing Agreement and the requirements of the SEBI. The role of the Audit Committee includes the following:

- a) 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;
- b) To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- c) To approve the payment to statutory auditors for any other services rendered by the statutory auditors.
- d) To review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on:
 - i. 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
 - ii. Any changes in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by the management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. The going concern assumption;
 - vii. Compliance with accounting standards;
 - viii. Compliance with legal requirements concerning financial statements;
 - ix. Disclosure of any related party transactions.
 - x. Qualifications in the draft audit report
- e) To review with the management, the quarterly financial statements before submissions to the Board;
- f) 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.
- g) To review and monitor the auditors independence and performance and effectiveness of audit process.
- h) To grant approval or any subsequent modification of transactions of the Company with related parties.
- i) To scrutinize inter corporate loans and investments.
- j) To undertake valuation of undertakings or assets of the Company wherever it is necessary.
- k) To evaluate internal financial control and risk management systems.

- l) To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- m) 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.
- n) To discuss with internal auditors any significant findings and follow up thereon;
- o) 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;
- p) 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;
- q) 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.
- r) To review Company's financial risk management policies.
- s) To examine financial statement and the auditor's report thereon.
- t) To review the functioning of the Whistle Blower mechanism;
- u) 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.
- v) 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.

Composition, meetings and attendance during the year

At the beginning of the year the members of the Audit Committee were:

- Mr. V.K.Khanna, Independent Director, Chairman
- Dr. M.Y.Khan, Independent Director
- Mr. P.K.Chhokra, Independent Director
- Mr. U. Venkataraman, Managing Director & CEO

Due to ill health Mr. V.K. Khanna could not able to attend the any meeting after Annual General Meeting on September 30, 2013 with or without taking leave of absence of the

Board, hence vide circular resolution passed by the Board of Directors on September 17, 2014 under section 167(1)(b) of the Companies Act, 2013 his office was vacated. The composition of the reconstituted Audit Committee stands as follows:

- Dr. M.Y. Khan, Public Interest Director, Chairman
- Mr. P.K. Chhokra, Public Interest Director
- Mr. U. Venkataraman, Managing Director & CEO

During the financial year 2014-15, the Audit Committee met 4 (four) times on May 21, 2014, July 30, 2014, November 3, 2014 and January 27, 2015.

Member	Category	Meetings Held	Meetings Attended
Dr. M.Y. Khan	Public Interest Director	4	4
Mr. V.K. Khanna*	Public Interest Director	4	0
Mr. P.K. Chhokra	Public Interest Director	4	4
Mr. U. Venkataraman@	MD&CEO	4	4

* Ceased as member of the Committee with effect from September 17, 2014.

All the members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Company Secretary is the Secretary of the Committee.

ii. **Nomination and Remuneration cum Compensation Committee**

The Board constituted a 'Remuneration Committee' at its meeting held on April 17, 2009 as per the provisions of Companies Act, 1956, the nomenclature of the Committee was further changed to 'Compensation Committee' in terms of SECC Regulations on September 7, 2012. On July 25, 2013 the Board again changed the nomenclature to 'Remuneration cum Compensation Committee' to comply with the SECC Regulations read with SEBI circular dated December 13, 2012 as well as Companies Act, 1956. The Board at its meeting held on May 21, 2014 had to change the nomenclature of the Committee as 'Nomination and Remuneration cum Compensation Committee' in order to comply with provisions of Section 178 of the Companies Act, 2013. The terms of reference of the Committee is expanded to align the same with the requirements of Section 178 of the Companies Act, 2013. The Committee is delegated powers to decide/recommend remuneration of Directors and KMPs in compliance with the Act and SECC Regulations besides formulating the compensation policy for KMPs.

Composition, meetings and attendance during the year:

At the beginning of the year, the members of the Committee were:

- Mr. Vepa Kamesam, Independent Director
- Dr. M.Y.Khan, Independent Director
- Mr. P.K.Chhokra, Independent Director

In view of appointment of Mr. Saurabh Sarkar as Shareholder Director by the SEBI vide letter dated September 3, 2014, the Committee was reconstituted comprising four directors viz.

- Mr. Vepa Kamesam, Public Interest Director, Chairman
- Dr. M.Y.Khan, Public Interest Director
- Mr. P.K.Chhokra, Public Interest Director
- Mr. Saurabh Sarkar, Shareholder Director

During the financial year 2014-15, the Committee met four times on June 4, 2014, September 30, 2014, November 17, 2014 and February 4, 2015

Member	Category	Meetings held	Meetings Attended
Mr. Vepa Kamesam	Public Interest Director	4	4
Dr. M.Y. Khan	Public Interest Director	4	4
Mr. P.K. Chhokra	Public Interest Director	4	4
Mr. Saurabh Sarkar*	Shareholder Director	4	3

* Appointed as member w.e.f September 17, 2014.

The Company Secretary is the Secretary of the Committee.

Details of remuneration to Directors:

▪ Remuneration of the Managing Director and his Shareholding

Mr. U. Venkataraman, Managing Director and CEO was not holding any shares in the Company. Further, in light of the difficult and uneven business phase being faced by the Company, Mr. U. Venkataraman, MD & CEO voluntarily offered to take a reduction of 33.33% on his current CTC.

The Nomination and Remuneration cum Compensation Committee at its meeting held on June 4, 2014 approved the voluntary offer given by Mr. U. Venkataraman and recommended the same to the Board for approval. The Board at its meeting held on June 4, 2014 had approved payment of remuneration of INR 79,20,396/- p.a. on the basis of all inclusive Cost to Company basis to Mr. U. Venkataraman, MD & CEO of the Clearing Corporation with effect from June 1, 2014 subject to the approval of the SEBI and Shareholders.

Detailed breakup of the same is given below -

Sr. No.	Components	Amount in INR
1	Basic	44,90,640
2	HRA	13,47,192
3	Other Allowance	2,69,438
4	Special Allowance	3,16,450
5	Food Coupons	14,400
6	Medical Reimbursement	15,000
7	LTA Reimbursement	3,74,220
8	Other Entitlements or Reimbursement	5,64,000
A	Total Cash Component	73,91,340
Benefits		
1	Annual Gratuity	2,15,896
2	Annual Car Eligibility	2,80,000
3	Annual Group Insurance	33,160
B	Total benefits	5,29,056

Metropolitan Clearing Corporation of India Limited
(Formerly known as MCX-SX Clearing Corporation Limited)

Sr. No.	Components	Amount in INR
(A+B)	Gross Cash and Non-cash salary	79,20,396
	Notice Period	6 months
	Severance fees	Nil except notice pay

As per the directions of the Board of Directors in its meeting held on February 27, 2015, Mr. U. Venkataraman, MD & CEO demitted the office w.e.f. March 4, 2015.

Subsequently Mr. Udai Kumar was appointed as Managing Director of the Company w.e.f. March 19, 2015 pursuant to SEBI approval. The Nomination and Remuneration cum Compensation Committee at its meeting held on February 4, 2015 approved the remuneration of Mr. Udai Kumar and recommended the same to the Board for approval. The Board at its meeting held on February 4, 2015 had approved payment of remuneration of INR 55,00,000/- p.a. all inclusive on Cost to Company basis (Detailed breakup of the same is given below) to Mr. Udai Kumar, MD of the Clearing Corporation subject to approval of the SEBI and Shareholders.

Sr. No.	Components	Amount in INR
1	Basic	23,10,000
2	HRA	11,55,000
3	Conveyance Allowance	-
4	Provident Fund (Employer Contribution/other allowance)	2,77,200
5	Special Allowance	6,02,082
	Sub Total (A)	43,44,282
	Fringe Benefits	
6	Food Coupons	-
7	Medical Reimbursement	15,000
8	LTA Reimbursement	1,92,500
9	Other Entitlements/Reimbursements	5,64,000
	Sub Total (B)	7,71,500
	Total A + B (Gross Salary)	51,15,782
	Other Benefits Costed	
1	Car Entitlement	2,40,000
2	Insurance Benefits (Group Term life Insurance + Mediclaim)	33,160
3	Gratuity	1,11,058
	Sub Total (C)	3,84,218
	Total of (Gross Salary + Other Benefits)	55,00,000
	Notice Period	6 months
	Severance fees	Nil except notice pay

Remuneration of the Non-Executive Directors and their shareholding as on 31.03.2015 is as below:

Name of the Director	Sitting Fees (Amount in INR)		Shareholding in the Company as on 31.03.2015 (in Nos.)
	Board Meetings	Committee Meetings	
Mr. Vepa Kamesam	1,68,000	4,20,000	NIL
Dr. M.Y. Khan	1,88,000	6,30,000	NIL
Mr. P.K. Chhokra	1,68,000	3,20,000	NIL
Mr. V.K. Khanna	NIL	NIL	NIL

Sitting fees had been waived off by Mr. Saurabh Sarkar.

iii. Shareholders' Grievance Committee

The Company has constituted Shareholders Grievance Committee primarily with the objective of redressing shareholders' and investors' grievances.

a) Terms of reference

- Handling and redressal of various Shareholders' complaints;
- Noting of dematerialization, rematerialization, share transfer, transposition of names, transmission requests, etc.;
- Issue of duplicate share certificates in case of torn or loss of share certificate;
- Any other specific matters of shareholder as may be specified by the Board from time to time

b) Composition, meetings and attendance during the year

At the beginning of the year the members of the Shareholders' Grievance Committee were:

- Dr. M.Y. Khan, Public Interest Director
- Mr. P.K. Chhokra, Public Interest Director.
- Mr. U. Venkataraman, Managing Director & CEO

During the financial year 2014-15, the Shareholders' Grievance Committee met four times on June 18, 2014, August 19, 2014, December 10, 2014 and March 30, 2015.

Member	Category	Meetings held	Meetings Attended
Mr. U. Venkataraman*	Managing Director and CEO	4	3
Mr. P.K. Chhokra	Public Interest Director	4	4
Dr. M.Y. Khan	Public Interest Director	4	3

*Ceased as member of the Committee with effect from March 4, 2015

The Company Secretary of the Company acts as the Secretary of the Committee. During the financial year 2014-15, the Company has not received any complaint from its shareholders and there are no unresolved complaints at the end of the period. Nature of requests /complaints received and redressed during the year 2014-15 are as follows:

Sr. No.	Particulars	Opening	Additions	Resolved	Pending
1.	Shareholders Complaints	NIL	NIL	NIL	NIL
2.	Demat Requests received	NIL	NIL	NIL	NIL
3.	Remat Requests received	NIL	NIL	NIL	NIL
4.	Transfer Requests received	NIL	1	1	NIL
5.	Transmission Requests received	NIL	NIL	NIL	NIL
6.	Requests received for Duplicate Share Certificate(s)	NIL	NIL	NIL	NIL
7.	Any other request from the shareholder	NIL	NIL	NIL	NIL

No complaints were pending as on March 31, 2015.

IV. OTHER BOARD COMMITTEES

Your Company is regulated by the SEBI and is required to comply with the requirements of the SEBI Regulations. Other than the Audit Committee, Shareholders Grievance Committee and Nomination and Remuneration cum Compensation Committee constituted by the Company under the provisions of the Companies Act,

2013 and the Listing Agreement, your Company is additionally required to constitute Committees which are mandated by the SEBI for clearing corporations. The Board has also constituted certain other Committees for operational convenience.

Pursuant to the SEBI Regulations, the Company has constituted various other committees on the terms of reference defined therein by the SEBI:

Sr. No.	Name of the Committee
1	Advisory Committee
2	Audit Committee
3	Clearing & Settlement Oversight Committee
4	Committee for monitoring SEBI inspection
5	Disciplinary Action Committee
6	Executive Committee – CD
7	Executive Committee – CM
8	Executive Committee - F & O
9	Investor Services Committee
10	Member Regulation Oversight Committee
11	Member Selection Committee
12	Nomination and Remuneration Cum Compensation Committee
13	Public Interest Directors Committee
14	Risk Management Committee
15	Stakeholders Relationship Committee
16	Standing Committee on Technology
17	Ethics Committee
18	Defaulters Committee
19	Committee for selection of Managing Director*

*Constituted vide circular resolution passed on October 8, 2014

(V) Compliance reports of applicable laws:

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as the steps taken by it to rectify the instances of non-compliances, if any, and define process to avoid future non-compliances.

(VI) Code of Conduct:

The Company has formulated and implemented a comprehensive Code of Conduct for Directors, Key Management Personnel and employees of the Company. The Code of Conduct has been posted on the website of the MCX Stock Exchange Limited, parent Company - www.msei.in under the section MCX-SXCCL.

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 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.

(VII) General Body Meetings-

- (A) Annual General meeting of the Company was held on September 30, 2014 at 11.30 AM. An Extraordinary General meeting of the Company was held on March 31, 2015 at 11.30 AM for appointment of Public Interest Directors as Independent Directors.
- (B) Details of the General Body Meetings and special resolutions passed therein during previous three financial years:

Date	Time	Category	Venue of the meeting	Particulars of special resolution passed
August 04, 2011	11.00 A.M.	AGM for the F.Y. 2010-2011	Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai - 400093	Nil
September 25, 2012	11.00 A.M.	AGM for the F.Y. 2011-2012	Same as above	i) Reappointment of Mr. U. Venkataraman as a CEO& Whole-Time Director. ii) Alteration of the Articles of Association.
March 11, 2013	10.30 A.M.	EGM	Same as above	Alteration of the Articles of Association.
September 20, 2013	4.00 P.M.	AGM for the F.Y. 2012-13	Same as above	Appointment of Mr. U. Venkataraman as MD & CEO
October 9, 2013	5.00 P.M.	EGM	Same as above	Nil

(B) Postal Ballot:

The Company has not passed any resolution by way of postal ballot.

(VIII)Disclosures:

(A) Disclosures on materially significant related party transactions

The Company has not entered into any materially significant related party transactions with the Directors or Management or their relatives that may have potential conflict with the interests of the Company. Nonetheless, the details of the related parties transactions as required under AS-18 have been disclosed in the Notes to Accounts and forms part of the Annual Report.

(B) Penalties imposed by the Stock Exchanges, the SEBI or any statutory authority, on any matter related to the capital markets during the last three years:

Nil.

(C) Disclosure relating to the Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee

The Company has adopted a Code for Key Management Personnel and Employees which includes a Whistle Blower Policy. No personnel have been denied access to the Audit Committee.

(D) Risk Management Policy

The Company has devised a formal risk management policy and follows a well-established and detailed risk assessment and minimization procedure. The Board has constituted a separate Risk Management Committee which periodically reviews the functioning of risk management policy and apprises the Board on regular intervals of its implementation or deviations, if any.

(E) Management Discussions and Analysis

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

(F) MD/CFO Certification:

The certification received under clause 49 of the Listing Agreement from Mr. Udai Kumar, Managing Director and Mr. Krishna Wagle, Chief Financial Officer on the financial statements of the Company for the year ended March 31, 2015 is annexed to this report.

(G) Certificate on Corporate Governance:

The Certificate regarding the compliance of conditions of Corporate Governance under clause 49 of the listing agreement is annexed to the Directors Report obtained from M/s. Kirtane & Pandit LLP, Chartered Accountants, Mumbai.

(H) Compliance with Clause 49:

Mandatory Requirements:

As per the regulation 35 of SECC Regulations, 2012 the disclosure requirements and corporate governance norms as applicable to a listed company are mutatis mutandis applicable to a recognized clearing corporation.

The SEBI vide its letter dated September 29, 2014 granted recognition to your Company to act as a Clearing Corporation for a period of one year subject to the fulfillment of certain terms and conditions. In view of the same Company has started complying with all the mandatory requirements of clause 49 of Listing Agreement to the extent practicable and applicable.

Non Mandatory Requirements:

- i) The Company has constituted Remuneration Committee which was re-designated as Compensation Committee by the Board at its meeting held on September 7, 2012. The Committee has been further re-designated as Remuneration cum Compensation Committee on July 25, 2013 to comply with the SECC Regulations read with the SEBI circular dated December 13, 2012 as well as the Companies Act, 1956. Further the Board at its meeting held on May 21, 2014 re-designated the Committee as 'Nomination and Remuneration cum Compensation Committee' in order to comply with the provisions of Section 178 of the Companies Act, 2013.
- ii) The financial statements of the Company are unqualified.

- iii) The Company has adopted a Code for 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. This policy ensures confidentiality and protection to the employee against retaliation.

(I) Means of Communication:

The SEBI vide its letter dated September 29, 2014 granted recognition to your Company to act as a Clearing Corporation for a period of one year subject to the fulfillment of certain terms and conditions. As per the regulation 35 of SECC Regulations, 2012 the disclosure requirements and corporate governance norms as applicable to a listed company are mutatis mutandis applicable to a recognized clearing corporation.

In view of the same, the Company has started publishing the quarterly results from the end of first quarter of financial year 2014-15. The Company publishes its results in one English newspaper having circulation in the whole or substantially the whole of India and in one Marathi newspaper. However, considering the nature of the Company, the Company has written a representation on June 13, 2013, to SEBI seeking certain clarification.

The Company has posted significant events for Financial Year 2014-15 under the section MCX-SXCCL on the website of the Metropolitan Stock Exchange of India Limited, parent Company www.msei.in.

(IX) General Shareholder Information:

I.	Annual General Meeting (F.Y. 2014-15) Day, Date, Time and Venue	Tuesday, September 22, 2015 11.30 a.m. 4th Floor, Vibgyor Towers, Opp. Trident Hotel, Bandra Kurla Complex (BKC), Mumbai - 400 098
II.	Financial year	April 01, 2014- March 31, 2015
III.	Quarterly results were declared as per the following tentative schedule. June 30, 2015 September 30, 2015 December 31, 2015 March 31, 2016	On or before August 14, 2015 On or before November 14, 2015 On or before February 14, 2016 On or before May 30, 2016
IV.	Book Closure date	Not Applicable
V.	Dividend payment date	Not Applicable
VI.	Mode of payment of dividend	Not Applicable
VII.	Listing on Stock Exchanges	Your Company is not listed.
VIII.	Corporate Identification Number (CIN)	U67120MH2008PLC188032
IX.	Scrip Code/Symbol	Not Applicable
X.	Name and designation of Compliance officer	Mr. Deepak Dave, was appointed as Compliance officer on November 3, 2014 Mr. Prayag Vijay, Company Secretary and Compliance Officer till August 28, 2014.

XI.	Registrars & Transfer Agents (RTA)	Karvy Computershare Private Limited Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081.
XII.	Share Transfer system	Authority has been delegated to the Management Committee of the Board to approve share transfers and the Shareholders Grievance Committee reviews disposal of transfer requests if any from time to time. The Company has also appointed Karvy Computershare Private Limited as its RTA who periodically receives from the Depositories, the beneficial holdings of the Company.
XIII.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	Your Company do not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments
XIV.	The Company's operations are located at	4th Floor, Vibgyor Towers, Opp. Trident Hotel, Bandra Kurla Complex (BKC), Mumbai - 400 098
XV.	Address for Correspondence	<u>Registered Office</u> <u>Metropolitan Clearing Corporation of India Limited</u> Exchange Square, CTS No. 255, Chakala, Suren Road, Andheri (East), Mumbai - 400 093. India. Tel:67319000 Website: http://www.mcx-sx.com/mcx-sxcl/about-mcx-sx-cl/default.aspx
XVI.	Email	shareholdergrievance@mcx-sxcl.com

Plant Locations: Your Company is engaged in the business of providing clearing and settlements of the securities traded on the trading platform of its parent Company i.e. Metropolitan Stock Exchange of India Limited. Therefore this section is not applicable.

Dematerialization of Shares:

Most of the shares of the Company are under dematerialized (electronic) form as required under the SECC regulations except for four equity shares of INR 10 each which are held by individuals as nominees of the MCX Stock Exchange Limited, the Multi Commodity Exchange of India Limited and the Financial Technologies (India) Limited. The securities of the Company are admitted for decartelization with Central Depository Services (India) Limited (CDSL).

ISIN of the Company's equity shares is INE831N01013.

As on March 31, 2015, a total of 2,49,99,996 equity shares of the Company were in dematerialized form.

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	up to 5000	-	-	-	-
2	5001 - 10000	-	-	-	-
3	10001 - 20000	-	-	-	-
4	20001 - 30000	-	-	-	-
5	30001 - 40000	-	-	-	-
6	40001 - 50000	-	-	-	-
7	50001 - 100000	-	-	-	-
8	100001 & above	3	100	25000000	100
	Total	3	100	25000000	100

Shareholding Pattern:

Sr. No	Category	No. of shareholders	No. of shares held	% of shareholding
(A)	PROMOTER AND PROMOTER GROUP			
(1)	INDIAN			
	Bodies Corporate	1	1,27,50,000	51
	Sub-Total A(1)	1	1,27,50,000	51
(2)	FOREIGN	0	0	0.00
	Sub-Total A(2)	0	0	0.00
	Total A=A(1)+A(2)	1	1,27,50,000	51
(B)	PUBLIC SHAREHOLDING			
(1)	INSTITUTIONS			
(a)	Mutual Funds /UTI	0	0	0.00
(b)	Financial Institutions /Banks	0	0	0.00
(c)	Venture Capital Funds	0	0	0.00
(d)	Foreign Institutional Investors	0	0	0.00
(e)	Foreign Bodies Corporate	0	0	0.00
	Sub-Total B(1)	0	0	0.00
(2)	NON-INSTITUTIONS			
(a)	Bodies Corporate	2	1,22,50,000	49
(b)	Individuals	0	0	0
(c)	Others	0	0	0.00
	Trusts	0	0	0.00
	Non-Resident Indian	0	0	0.00
	Clearing Members	0	0	0.00
	Sub-Total B(2)	2	1,22,50,000	49
	Total B=B(1)+B(2)	2	1,22,50,000	49
	Total (A+B)	3	2,50,00,000	100

Notes:

The above figures include holdings of four nominee shareholders of the above shareholders who hold one share each as allowed u/s 113 of the Companies Act, 2013.

Based on the definition of promoter as mentioned in Section 2(69) of the Companies Act, 2013 and in light of fact that the Multi Commodity Exchange of India Limited (MCX) and the Financial Technologies (India) Limited (FTIL) did not have any Board representation on the Clearing Corporation nor did they exercise any control over the Clearing Corporation. The Board at its meeting held on May 21, 2014 noted that the MCX and the FTIL are not promoters of the Company and decided not to classify them as

promoter in any future filings.

In terms of Regulation 18 of the SECC Regulations, any person holding equity shares in a recognised clearing corporation in excess of the limits specified in this regulation on the date of commencement of these regulations shall comply with the conditions specified in this regulation within a period of three years from the date of such commencement. Accordingly, the MCX and the FTIL have to reduce their shareholdings to 5% of the paid up capital latest by June 20, 2015. In the meantime, the SEBI had vide order dated March 19, 2014 declared the FTIL as not a “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. Further vide same order SEBI had directed inter-alia that:

- 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 and MCCIL 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 Stock Exchange Ltd. (MCX-SX) and Metropolitan Clearing Corporation of India Ltd. (MCCIL) shall cease to be entitled to exercise voting rights in respect of those shares or instruments with immediate effect.

The said Order has been upheld by the Securities Appellate Tribunal (SAT) by its order dated July 09, 2014. Accordingly the SAT has given the FTIL four weeks’ time to divest shares of the relevant entities. As on date the FTIL continue to hold its stake in the Company.

Further SAT vide its order dated 21st August, 2014 advised the FTIL to apply to the SEBI for extension of time. The FTIL in accordance with the SAT order dated August 21, 2014, has vide its letter to the SEBI (a copy of the same was marked to the Company) dated August 26, 2014 sought an extension of six months to complete the divestment from relevant entities.

For and on behalf of the Board of Directors

Date: August 27, 2015
Place: Mumbai

Sd/-
Dr. M.Y. Khan
Public Interest Director
DIN: 03185713

Sd/-
Udai Kumar
Managing Director
DIN: 06750460

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Metropolitan Clearing Corporation of India Limited

We have examined the compliance of conditions of Corporate Governance by MCX – SX Clearing Corporation Limited ('the Company') for the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For Kirtane & Pandit LLP
Chartered Accountants
FRN: 105215W/W100057

Place: Mumbai
Date: August 27, 2015

Sd/-
Sandeep D. Welling
Partner
Membership No: 044576

Receipt of Affirmations on Compliance with 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.

Sd/-
Udai Kumar
Managing Director

Place: Mumbai

Date: August 27, 2015

MD and 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 Clearing Corporation of India Limited

Dear Sirs,

We have reviewed the financial statements and the cash flow statement of Metropolitan Clearing Corporation of India 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 may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current 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 in violation of the Company's codes 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 internal controls, if any of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies. In our opinion there are adequate internal controls over financial reporting.
- d) We have indicated to the Auditors and the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - iii) That there have been no instances of significant fraud of which we have become aware.

Yours Sincerely,

Place: Mumbai
Date: August 27, 2015

Sd/-
Udai Kumar
Managing Director

Sd/-
Krishna Wagle
Chief Financial Officer

Business Responsibility Report

In line with the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company
U67120MH2008PLC188032
2. Name of the Company:
Metropolitan Clearing Corporation of India Limited
(Formerly known as MCX-SX Clearing Corporation Limited)
3. Registered address
Exchange Square, Suren Road,
Chakala, Andheri (East), Mumbai, 400093
4. Website
<http://www.msei.in/mcxsxccl/about-mcx-sx-ccl/default.aspx>
5. E-mail id
communications@mcx-sx.com; csr@mcx-sx.com
6. Financial Year reported
2014-2015
7. Sector(s) that the Company is engaged in (industrial activity code-wise)
Clearing and Settlement (Financial Sector)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)
Company is providing the clearing and settlement services exclusively to the MSEI in respect of all the four segments namely; Currency Derivatives, Equity Derivatives, Equity Cash Market, and Debt Segment.
9. Total number of locations where business activity is undertaken by the Company
 - i. Number of International Locations (Provide details of major 5)
None
 - ii. Number of National Locations
Please refer this Annual Report
10. Markets served by the Company – Local/State/National/International/
National level

Section B: Financial Details of the Company (As on March 31, 2015)

1. Paid up Capital
INR 25,00,00,000
2. Total profit after taxes
INR 1,37,66,961
3. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)
Not applicable
MCCIL has voluntarily chosen to publish the Business Responsibility Report (BRR) for 2014-15 while working towards the goal of responsible and sustainable development. MCCIL shall be participating with the holding Company MSEI in their BR activities.
4. List of activities in which expenditure in 4 above has been incurred:-
Not Applicable

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?
No
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
Not Applicable
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
No BR activities have been undertaken as mentioned above. Upon commencement of the same, MCCIL may consider to support and encourage its suppliers and other stake holders to participate in the company's BR initiatives.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**
 - a) Details of the Director/Director responsible for implementation of the BR policy/policies
 - DIN Number - 06750460
 - Name - Mr. Udai Kumar
 - Designation – Managing Director

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Y	N	Y	N	N	N	N	N	N
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	N	Y	N	N	N	N	N	N
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	N	N	N	N	N	N	N	N	N
4	Has the policy being approved by the Board? Is yes, has it been signed by MD /owner /CEO /appropriate Board Director?	Y	N	Y	N	N	N	N	N	N
5	Does the company have a specified committee of the Board/ Director/Official to oversee the Implementation of the policy?	Y	N	Y	N	N	N	N	N	N
6	Indicate the link for the policy to be viewed online?	Y	N	N	N	N	N	N	N	N
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	N	N	N	N	N	N	N	N
8	Does the company have in-house structure to Implement the policy / policies.	Y	N	Y	N	N	N	N	N	N
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Y	N	N	N	N	N	N	N	N
10	Has the company carried out independent Audit /evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

Y = Yes; N = No

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles		✓		✓	✓	✓	✓	✓	✓
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year.			✓		✓	✓	✓	✓	
6	Any other reason (please specify)									

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Clearing Corporation has chosen to comply and submit the BRR from FY 2014-15. Henceforth, the board will review the BR performance on an annual basis.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is for the first time that the BR Report has been compiled. MCCIL shall publish this Report annually which can be viewed on the website of the Exchange - www.msei.in.

Section E: Principle-wise performance

Principle 1: ETHICS, TRANSPARENCY & ACCOUNTABILITY

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

No. MCCIL policy on 'Code for KMPs and Employees' which is the policy relating to ethics, brings within its ambit the key management personal, employees and directors. There is a similar policy for MCCIL employees also.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? *If so, provide details thereof, in about 50 words or so.*

No complaints were received in the reporting period with regards to ethics, bribery and corruption.

Principle 2: PRODUCT LIFE CYCLE SUSTAINABILITY

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

MCCIL, being a securities infrastructure institution, provides services to the financial sector and is not resource intensive in terms of material inputs. The Clearing Corporation operates in a paper-less environment since it provides a robust electronic platform to members.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- i. Reduction in sourcing/production/ distribution achieved since the previous year throughout the value chain?

Not applicable

- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
Not applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

It would not be possible to ascertain the percentage of inputs that are sourced sustainably due to the reasons mentioned above.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Clearing Corporation has taken several initiatives for the development of local suppliers of goods and services and hence uses services of local vendors for regular office supplies etc.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

No, the Clearing Corporation currently does not have a formal policy to recycle products and waste. However, the Clearing Corporation is in the process of adopting an e-waste Management Policy with the specific aim of minimizing and responsible disposal of the entire quantum of e-waste generated throughout our operations. Additionally, all recyclable waste collected at our premises are separated (dry and wet waste); the waste is then handed over to an authorized waste processor.

Principle 3: EMPLOYEE WELL BEING

Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

MCCIL - 22 as on March 31, 2015

2. Please indicate the Total number of employees hired on temporary / contractual /casual basis.

MCCIL has not hired staff on temporary / contractual /casual basis as on March 31, 2015.

3. Please indicate the Number of permanent women employees.

MCCIL – 8 as on March 31, 2015

4. Please indicate the Number of permanent employees with disabilities

NIL

5. Do you have an employee association that is recognized by the management?

MCCIL does not have either an association or an employee union

6. What percentage of your permanent employees is member of this recognized employee association?

Not applicable.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child Labour / forced Labour / involuntary labour	The Company does not hire Child Labour, Forced Labour or Involuntary Labour.	Nil
2	Sexual harassment	No Reported Case.	Nil
3	Discriminatory employment	We do not discriminate in the recruitment process and we have a fairly diverse employee base. No Reported Case	Nil

8. What percentage of your employees were given safety & skill upgradation training in the last year?

- Permanent Employees - 100 %
- Permanent Women Employees – 36%
- Casual/Temporary/Contractual Employees – Nil
- Employees with Disabilities - Nil

Overview

We take great pride in our robust and diverse employee community that has contributed significantly to our success over the years. We have several systems and initiatives in place to protect the interests of our employees and to keep them connected and empowered. Key highlights of the initiatives for employees are:

Enabling policies, benefits and rewards

- Our insurance policies take care of the welfare of our employees and their families, and the benefits covered by these are well above the minimum statutory requirement. Medclaim insurance policy, voluntary policy for dependent parents, personal accident insurance scheme, term life insurance cover and group gratuity are some of the benefits that we have for our employees in addition to emergency medical help.
- Our Employee Stock Ownership Plans (ESOPs) give employees an opportunity to have a share in our business growth and thereby create wealth for themselves. MCX-SX uses ESOPs to reward employees of MCCIL also (other than KMPs) for their contribution to its success.
- We have systems to continuously manage employee performance, both in terms of work and other parameters such as inter-personal skills and leadership qualities. Our performance management system (PMS) is aligned with the organisational growth commitment (OGC) programme. Employees (other than KMPs) are rewarded with performance-linked variable pay, which is consistent with industry standards.

Equal remuneration and equal opportunity

At MCCIL, we endorse a work environment which is fair, equitable, safe and encourages team work. Our strategy is defined by recruitment of people with diverse skills, knowledge and experience, and by ensuring the right fit between roles and profiles.

Principle 4: STAKEHOLDER ENGAGEMENT

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes. Please refer the table below

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders

Not Applicable

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Not Applicable

Overview Stakeholder Engagement Map

Key Stakeholders	Mode of engagement	Frequency of engagement	Who is responsible
Policy Makers and Regulators	Company regulatory filings, compliance statements, meetings, inspections / audits, letters, emails	As per regulatory requirements and need base	Cross functional team
Shareholders	Emails, letters, investor grievance cell, media, general meetings, company website	Annually at the AGM, Extra Ordinary General meetings (EGM) and on a need basis.	Secretarial team, top management.
Members (Banks, Brokers, FIIs), End User (retail), Listed corporates	Regular one on one interaction, meetings, mails, letters	As per need basis, in – house events	Business Development team of MSEI
Trade Bodies like CII, FICCI	Meetings, emails, papers on important industry issues, partnerships / support in relevant forums	Ongoing and need basis	Communications and CSR team of MSEI
Academia & alliance partners	Strategic tie ups, MoU signing for joint initiatives, emails.	As per need basis	Communications and CSR team, Research team of MSEI
Media	One on one media interactions, interviews, responses, strategic tie ups, meetings, emails	Ongoing and need basis	Communications and CSR team of MSEI
Employees	Employee engagement programmes, induction, emails, intranet, meetings, rewards and recognition programmes, surveys, grievance cell, voluntary initiatives	Ongoing and need basis	Human Resources team and Communications and CSR team of MSEI
Vendors	Regular one on one interaction, meetings, mails, letters	Ongoing and need basis	Technology team, Admin team, Communications Team of MSEI

Principle 5: HUMAN RIGHTS

Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company does not have a stated human rights policy. However, most of the aspects are covered in the manner in which the company conducts its business as well as in its human resources practices.

MCCIL respects human rights and upholds the dignity of every individual associated with the Exchange, directly or indirectly. Our 'people' practices are aimed to provide a non-discriminatory and harassment-free workplace while enabling all employees to report any incidents of discrimination and harassment. The Exchange does not employ child labor and its recruitment policies ensure that all employees are free to choose to be associated with the Exchange.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil

Principle 6: ENVIRONMENTAL PROTECTION

Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group /Joint ventures/Suppliers/Contractors/NGOs/others.

Not Applicable

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

No. However, the Company discourages waste of paper in any form and has automated many processes intending secure member interface.

3. Does the company identify and assess potential environmental risks? Y/N

No

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

No

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not applicable

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Not applicable

Principle 7: PUBLIC POLICY ADVOCACY

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

No.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

Principle 8: INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, MCCIL believes in creating well-developed financial markets that are integrated with the ecosystem and encouraging broad-based participation. In adherence with its mission of **Financial Literacy-For-Financial Inclusion**™, MSEI and MCCIL have jointly ensured effective use of technology innovations in financial literacy and investor outreach efforts, besides implementing global best practices within its systems and processes.

2. Are the programmes/projects undertaken through in-house team/own Foundation /external NGO/government structures/any other organization?

No. However the holding company organizes the same and we participate in the same on need basis.

3. Have you done any impact assessment of your initiative?

Not applicable

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Not applicable

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

No, not applicable

Principle 9: CUSTOMER VALUE

Business should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

NIL

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Not applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There is no case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year 2014-15.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

No

Independent Auditors' Report

To the Members of MCX SX Clearing Corporation Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of MCX SX Clearing Corporation Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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; design, implementation and maintenance of adequate internal financial controls, that are 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.

Auditor's Responsibility

3. 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 there under. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in case of Statement of Profit & Loss, of the profit for the year ended March 31, 2015;
- (c) in the case of the Cash Flow Statement, cash flows for the year ended March 31, 2015.

Report on Other Legal and Regulatory Requirements

7. 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.
8. As required by Section 143(3) of the Act, we further report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) 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;
- d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - (iii) The Company regularly transfers sums to the Investor Education and Protection Fund.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No. 105215W/ W100057

Sd/-

Chandrashekhar

Partner

Membership No.: 042376

Place: Mumbai

Date: May 19, 2015

MCX SX Clearing Corporation Limited
Annexure to the Auditor's Report – March 31, 2015

Annexure referred to in paragraph 7 of Our Report of even date to the members of MCX SX Clearing Corporation Limited on the accounts of the company for the year ended March 31, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;

(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company.
- (iii) The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-Section (1) of Section 148 of the Act.
- (vii) According to the information and explanations given to us and based on the records of the company examined by us,
 - (a) The company has generally been in regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance,

Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;

MCX SX Clearing Corporation Limited

Annexure to the Auditor's Report – March 31, 2015

- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- (c) The Company has been in general in transfer of sums to the Investor Education and Protection Fund.
- (viii) The Company does not have accumulated losses at the end of the financial year March 31, 2015.
- (ix) According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures.
- (x) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.
- (xi) In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.
- (xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For Kirtane & Pandit LLP

Chartered Accountants

Firm Registration No. 105215W/ W100057

Sd/-

Chandrashekhar

Partner

Membership No. 042376

Place: Mumbai

Date: May 19, 2015

MCX-SX CLEARING CORPORATION LIMITED
Balance Sheet as at Mar 31, 2015

	Note No.	As at 31.03.2015		As at 31.03.2014	
		Rupees	Rupees	Rupees	Rupees
Equity and Liabilities					
Shareholder's Funds					
Share Capital	2	250,000,000		250,000,000	
Reserves and Surplus	3	45,559,127	295,559,127	31,920,884	281,920,884
Non-Current Liabilities					
Other Long-Term Liabilities	6	343,306,549		326,742,196	
Long Term Provisions	4	884,574	344,191,123	928,708	327,670,904
Current Liabilities					
Trade Payables	5	1,531,308		46,785,711	
Other Current Liabilities	6	510,360,639		630,307,661	
Short Term Provisions	4	116,061	512,008,008	1,138,839	678,232,211
TOTAL			1,151,758,258		1,287,823,999
Assets					
Non-Current Assets					
Fixed Assets	7				
Tangible Assets		1,398,766		3,933,369	
Intangible Assets		399,182		449,616	
Long Term Loans and Advances	10	76,600,700	78,398,648	57,559,713	61,942,698
Current Assets					
Current Investments	8	424,905,959		310,239,352	
Cash and Bank Balances	9	598,929,463		842,399,077	
Short-Term Loans and Advances	10	28,084,621		28,151,938	
Other Current Assets	11	21,439,567	1,073,359,610	45,090,934	1,225,881,301
TOTAL			1,151,758,258		1,287,823,999

In terms of our report attached

For Kirtane & Pandit
Chartered Accountants

For and on behalf of the Board
MCX-SX Clearing Corporation Limited

sd/-
Sandeep D. Welling
Partner

sd/-
Vepa Kamesam
Chairman

sd/-
Udai Kumar
Managing Director

Place : Mumbai
Date : May 19, 2015

sd/-
Partha Sen
Chief Financial Officer

Place : Mumbai
Date : May 19, 2015

MCX-SX CLEARING CORPORATION LIMITED
Statement of Profit and Loss for the year ended Mar 31, 2015

	Note No.	Year ended 31.03.2015 Rupees	Year ended 31.03.2014 Rupees
REVENUE			
Revenue from Operations	12	148,040,918	321,814,065
Other Income	13	27,101,497	52,802,434
TOTAL		175,142,415	374,616,499
EXPENSES			
Employee Benefits Expense	14	31,326,221	40,001,919
Depreciation and Amortization Expense	7	1,580,641	836,346
Other Expenses	15	131,853,242	332,501,163
TOTAL		164,760,104	373,339,428
Profit for the year before exceptional item		10,382,311	1,277,071
Exceptional Item (Refer Note 24)		3,384,650	-
Profit for the year		13,766,961	1,277,071
Earnings Per Share	16		
Basic / Diluted		0.55	0.05
Face Value Per Share		10/-	10/-
See accompanying notes to the financial statements			

In terms of our report attached
For Kirtane & Pandit
Chartered Accountants

sd/-
Sandeep D. Welling
Partner

Place : Mumbai
Date : May 19, 2015

For and on behalf of the Board
MCX-SX Clearing Corporation Limited

sd/- sd/-
Vepa Kamesam **Udai Kumar**
Chairman Managing Director

sd/-
Partha Sen
Chief Financial Officer

Place : Mumbai
Date : May 19, 2015

MCX-SX CLEARING CORPORATION LIMITED
Cash Flow Statement for the Year Ended Mar 31, 2015

	Year ended 31.03.2015		Year ended 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
A. Cash Flow from Operating Activities				
Net Profit Before Tax		13,766,961		1,277,071
Adjustments for				
Depreciation and Amortisation Expense	1,580,641		836,346	
Dividend from Current Investments	(7,207,996)		(1,243,535)	
Interest Income	(19,886,964)		(46,514,061)	
Profit on Sale of Current Investment (Net)	(6,538)		(3,349,395)	
Excess Provision for Gratuity Written Back	-		(216,705)	
Excess Provision for Bonus Written Back	-		(350,401)	
Depreciation on Assets whose useful life has expired as at 31-03-14	(128,718)		-	
Loss on Sale of Fixed Asset	741,181		-	
		(24,908,393)		(50,837,751)
Operating loss before working capital changes		(11,141,432)		(49,560,680)
Working Capital Changes				
(Increase) in Loans and Advances	67,835		(10,970,933)	
Decrease / (Increase) in Fixed Deposits	230,408,455		29,219,944	
(Decrease) / Increase in Liabilities and Provisions	(104,449,584)		(386,376,213)	
(Decrease) / Increase in Trade Payables	(45,254,403)	80,772,303	9,588,421	(358,538,781)
Cash (used in) / generated from Operating Activities		69,630,871		(408,099,461)
Taxes (paid)		(19,041,505)		(19,507,490)
Net Cash (used in) / generated from Operating Activities		50,589,366		(427,606,951)
B. Cash Flow from Investing Activities				
Sale / (Purchase) of Current Investments (Net)		(114,660,069)		348,309,913
Purchase of Fixed Assets		-		(2,218,760)
Proceeds from Sale of Fixed Assets		263,217		-

Metropolitan Clearing Corporation of India Limited
(Formerly known as MCX-SX Clearing Corporation Limited)

	Year ended 31.03.2015		Year ended 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Dividend Income		7,207,996		1,243,535
Interest Income		43,538,331		33,785,909
Net Cash generated from / (used in) Investing Activities		(63,650,525)		381,120,597
Net (Decrease) / Increase in Cash and Cash Equivalents		(13,061,159)		(46,486,354)
Cash and Cash Equivalents at the beginning of the year		19,369,521		65,855,875
Cash and Cash Equivalents at the end of the year (Refer Note 9)		6,308,362		19,369,521
Net (Decrease) / Increase in Cash and Cash Equivalents as disclosed above		(13,061,159)		(46,486,354)

In terms of our report attached
For Kirtane & Pandit
Chartered Accountants

sd/-
Sandeep D. Welling
Partner

Place : Mumbai
Date : May 19, 2015

For and on behalf of the Board
MCX-SX Clearing Corporation Limited

sd/- sd/-
Vepa Kamesam **Udai Kumar**
Chairman Managing Director

sd/-
Partha Sen

Place : Mumbai
Date : May 19, 2015

MCX-SX CLEARING CORPORATION LIMITED

Notes to financial statements

1. Significant Accounting Policies

A. Corporate Information

MCX-SX Clearing Corporation Limited (“the company”) is a limited company domiciled in India and incorporated on November 07, 2008 under the provisions of the Companies Act, 1956. The company is engaged in the business of clearing and settlement of deals in multi asset classes carried out at Metropolitan Stock Exchange of India Ltd (Formerly known as MCX Stock Exchange Ltd) (MSEI).

B. Basis of preparation of financial statements

The financial statements have been prepared under the historical-cost convention, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared financial statement to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

C. Presentation and disclosure of financial statements

The financial statements as at March 31, 2015 are prepared as per the Schedule III notified under the Companies Act, 2013, which has become applicable to the company.

D. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported amounts of income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

E. Revenue Recognition

- a) Revenue is recognized when no significant uncertainty as to measurement and realization exists.
- b) Dividend income is recognized when the Company’s right to receive dividend is established.
- c) Interest income is recognized on time proportion basis.
- d) Clearing and Settlement fees are recognized in accordance with the terms of Agreement with Metropolitan Stock Exchange of India Ltd (Formerly known as MCX Stock Exchange Ltd).

Notes to financial statements

F. Employee Benefits

Employee benefits comprise payments under approved provident fund plans and gratuity to eligible employees.

Defined Contributions Plans

Provident Fund and Family Pension Fund:

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute/ Rules.

Defined Benefits Plans

Gratuity:

The Company has taken a group gratuity cum life assurance policy from Life Insurance Corporation of India. The premium payable under the policy is charged to the Statement of Profit and Loss. Additionally, the shortfall, if any, between the balance of the fund with the Life Insurance Corporation of India and the obligations determined by the actuarial valuation is charged to the Statement of Profit and Loss.

Compensated absences, other long term employee benefits

The Company does not have a policy of encashing unavailed leave for its employees. The Company provides for compensated absences in accordance with AS-15 (revised 2005) Employee Benefits. The provision is based on an independent external actuarial valuation at the balance sheet date, which includes assumptions about demographics, early retirement, salary increases and interest rates.

Accounting policy for recognizing actuarial gains / losses:

Actuarial gains / losses are recognized in computing the defined obligation liability and the expense for the year and are passed through the profit and loss account.

G. Fixed assets

Tangible assets are stated at cost of acquisition 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.

Intangible Assets are stated at cost less accumulated amortisation and impairment loss, if any. Computer Software is amortised over a period of ten years, as per revised useful lives prescribed in the Schedule II.

Notes to financial statements

H. Depreciation

- i) Consequent to Schedule II to the Companies Act, 2013, becoming applicable w.e.f. from April 1, 2014, depreciation for the year ended March 31, 2015 has been provided on the basis of useful lives as prescribed in the Schedule II.
- ii) Depreciation on fixed assets purchased/sold during the year is provided for pro-rata basis, for period during which the assets are put to use. Where there is a revision of the estimated useful life of an asset, the unamortized depreciable amount is charged over the revised remaining useful life of the said asset. Company considers zero residual value for any asset.
- iii) As per Schedule II of the Companies Act, 2013, assets worth Rs.1.29 Lacs were written off against opening reserves of whose useful Lives is expired as on April 1, 2014.

I. Impairment Loss

Impairment loss is provided to the extent the carrying amounts of assets exceed their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

L. Provisions and Contingencies

In accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets, issued by the ICAI, the Company recognizes provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Contingent Assets, if any, are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

MCX-SX CLEARING CORPORATION LIMITED

Notes to financial statements

2 Share Capital:

	As at 31.03.2015		As at 31.03.2014	
		Rupees		Rupees
Authorised 25,000,000 equity shares of Rs.10/- each		250,000,000		250,000,000
Issued and Subscribed 25,000,000 equity shares of Rs.10/- each fully paid		250,000,000		250,000,000
TOTAL		250,000,000		250,000,000

2.1 Shareholding pattern in respect of Equity Shares

	As at 31.03.2015		As at 31.03.2014	
	Numbers	% holding	Numbers	% holding
MCX Stock Exchange Limited - Holding Company	12,750,000	51.00%	12,750,000	51.00%
Multi Commodity Exchange of India Limited	6,500,000	26.00%	6,500,000	26.00%
Financial Technologies (India) Limited	5,750,000	23.00%	5,750,000	23.00%
Total	25,000,000	100.00%	25,000,000	100.00%

2.2 The Equity Shares of the Company have face value of Rs.10 per share. Shareholders are eligible for one vote per share held. Shareholders are entitled to residual assets after payment of all liabilities in the event of liquidation of the Company.

2.3 Since, there is no change in the number of shares outstanding at the beginning and at end of the year, reconciliation statement is not required.

2.4 In case of shares held by Financials Technologies (India) Limited, refer note 23.

3 Reserves and Surplus:

	As at 31.03.2015		As at 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Surplus in Statement of Profit and Loss				
Balance as per last Balance Sheet	31,920,884		30,643,813	
Less :- Depreciation on Assets whose useful life has expired as at 31-03-14	128,718		-	
Add : Profit for the year	13,766,961	45,559,127	1,277,071	31,920,884
TOTAL		45,559,127		31,920,884

Notes to financial statements

4 Provisions

	As at 31.03.2015		As at 31.03.2014	
	Current	Non-current	Current	Non-current
	Rupees	Rupees	Rupees	Rupees
For Employee Benefits:				
Compensated Absences	116,061	884,574	1,138,839	928,708
TOTAL	116,061	884,574	1,138,839	928,708

5 Trade Payables

	As at 31.03.2015		As at 31.03.2014	
		Rupees		Rupees
Total outstanding dues of creditors other than micro, small and medium enterprises		1,531,308		46,785,711
TOTAL		1,531,308		46,785,711

5.1 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.

6 Other Liabilities

	As at 31.03.2015		As at 31.03.2014	
	Current	Non-current	Current	Non-current
	Rupees	Rupees	Rupees	Rupees
Settlement Banks Deposits	-	200,000,000	-	220,000,000
Members Margin and Deposits	503,338,858	-	620,204,896	-
Core Settlement Guarantee Fund	-	122,667,873	-	-
Exchange Contribution to Settlement Guarantee Fund	-	13,939,450	-	100,007,699
Other Deposits	30,000	6,600,000	30,000	6,734,497
Other Payables :				
For Expenses	2,667,879	-	2,853,778	-
For Gratuity (Refer Note 18)	710,698	99,226	618,267	-
For Statutory Dues	3,613,204	-	6,600,720	-
TOTAL	510,360,639	343,306,549	630,307,661	326,742,196

7 Fixed Assets: Current Year

TANGIBLE ASSETS:
(Rupees)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Additions	Deletions	As at 31.03.2015	Upto 31.03.2014	For the year	Deletions	Upto 31.03.2015	As at 31.03.2015
Office Equipments	262,148	-	-	262,148	15,303	71,048	-	86,351	175,797
Computer Hardware	3,934,537	-	302,793	3,631,744	1,257,073	1,325,775	174,073	2,408,775	1,222,969
Vehicles	1,114,345	-	1,114,345	-	105,283	133,384	238,667	-	-
TOTAL	5,311,030	-	1,417,138	3,893,892	1,377,659	1,530,207	412,740	2,495,126	1,398,766

INTANGIBLE ASSETS (Acquired):

PARTICULARS	GROSS BLOCK			AMORTISATION				NET BLOCK	
	As at 01.04.2014	Additions	Deletions	As at 31.03.2015	Upto 31.03.2014	For the year	Deletions	Upto 31.03.2015	As at 31.03.2015
Computer Software	627,907	-	-	627,907	178,291	50,434	-	228,725	399,182
TOTAL	627,907	-	-	627,907	178,291	50,434	-	228,725	399,182

7 Fixed Assets: Previous Year
TANGIBLE ASSETS:

PARTICULARS	GROSS BLOCK					DEPRECIATION					(Rupees)
	As at 01.04.2013	Additions	Deletions	As at 31.03.2014	Upto 01.04.2013	For the year	Deletions	Upto 31.03.2014	As at 31.03.2014		
	-	-	-	-	-	-	-	-	-	-	
Office Equipments	262,148	-	-	262,148	2,851	12,452	-	15,303	246,845		
Computer Hardware	3,334,834	599,703	-	3,934,537	645,240	611,835	-	1,257,075	2,677,462		
Vehicles	-	1,114,345	-	1,114,345	-	105,283	-	105,283	1,009,062		
TOTAL	3,596,982	1,714,048	-	5,311,030	648,091	729,570	-	1,377,661	3,933,369		

INTANGIBLE ASSETS (Acquired):

PARTICULARS	GROSS BLOCK					AMORTISATION				
	As at 01.04.2013	Additions	Deletions	As at 31.03.2014	Upto 01.04.2013	For the year	Deletions	Upto 31.03.2014	As at 31.03.2014	
	123,195	504,712	-	627,907	71,515	106,776	-	178,291	449,616	
TOTAL	123,195	504,712	-	627,907	71,515	106,776	-	178,291	449,616	

Notes to financial statements

8 Current Investments

	As at 31.03.2015		As at 31.03.2014	
		Rupees		Rupees
In units of Mutual Funds (Quoted, Non Trade) : (at lower of cost and market value)				
1,04,066.491 (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
3,52,932.797 (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
22,224.627 (Previous Year 5,862.430 units) of Rs.1000 each in Reliance Liquid Fund - Daily Dividend Reinvestment		33,975,676		8,962,132
1,17,140.916 (Previous Year 146,752.275 units) of Rs.1000 each in SBI Premier Liquid Fund - Daily Dividend Reinvestment Plan		117,521,624		147,229,221
66,69,167.148 (Previous Year 3,388,458.012 units) of Rs.10 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 Liquid Fund Daily Dividend Reinvestment Plan		-		6,505,674
2,88,010.889 (Previous Year NIL) of Rs.100.0565 each in ICICI Prudential Liquid - Daily Dividend Reinvestment		28,817,362		-
TOTAL		424,905,959		310,239,352
Aggregate Book Value / Aggregate Market Value		424,905,959		310,239,352

Notes to financial statements

9 Cash and Bank Balances

	As at 31.03.2015		As at 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
<u>Cash and Cash Equivalents :</u>				
Cash on hand	8,504		9,504	
Balances with Banks:				
- In Current Accounts	6,299,858		19,360,017	
- In Deposit Accounts	-	6,308,362	-	19,369,521
<u>Other Bank Balances</u>				
- Fixed Deposit with original maturity for more than 12 months		592,621,101		823,029,556
9.1 Balance in Current Account includes Rs.4,039,288/- (Previous Year Rs.15,701,405/-) towards Clearing and Settlement Obligation				
9.2 Fixed deposits aggregating Rs. Nil (Previous Year Rs.100,000,000/-) earmarked towards Settlement Guarantee Fund.				
9.3 Fixed deposits aggregating Rs.265,681,651/- (Previous Year Rs. Nil) earmarked towards Core Settlement Guarantee Fund.				
9.5 Fixed Deposits maturing beyond March 31, 2016 is Rs. NIL (Previous Year Rs. NIL)				
TOTAL		598,929,463		842,399,077

10 Loans and Advances (Unsecured and considered good)

	As at 31.03.2015		As at 31.03.2014	
	Current	Non-current	Current	Non-current
	Rupees	Rupees	Rupees	Rupees
Advance Payment of Income Tax	-	76,600,700	-	57,559,195
Input VAT Credit	-	-	-	518
Service Tax Input Credit	25,412,396	-	23,319,411	-
Prepaid Expenses	1,043,258	-	1,867,539	-
Advances to Vendors	28,253	-	368,361	-
Deposits	1,503,000	-	1,503,000	-
Others Receivables	97,714	-	1,093,627	-
TOTAL	28,084,621	76,600,700	28,151,938	57,559,713

11 Other Current Assets

	As at 31.03.2015		As at 31.03.2014	
		Rupees		Rupees
Accrued Interest on Bank Deposits		21,439,567		45,090,934
TOTAL		21,439,567		45,090,934

12 Revenue from operations

	Year ended 31.03.2015		Year ended 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Sale of Services				
Clearing and Settlement Fees		98,592,025		239,160,310
Other Operating Revenues				
Interest on Deposits with Banks	29,750,469		40,873,135	
Dividend from Current Investments	19,600,923		41,630,620	
Annual Subscription Fees	97,500	49,448,893	150,000	82,653,755
TOTAL		148,040,918		321,814,065

13 Other Income

	Year ended 31.03.2015		Year ended 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Interest :				
On Deposits with Banks	19,886,964		46,514,061	
On Income Tax Refund	-	19,886,964	1,128,337	47,642,398
Dividend from Current Investments		7,207,996		1,243,535
Profit on Sale of Current Investments (net)		6,538		3,349,395
Excess Provision for Bonus Written Back		-		350,401
Excess Provision for Gratuity Written Back		-		216,705
TOTAL		27,101,497		52,802,434

14 Employee Benefits Expenses

	Year ended 31.03.2015		Year ended 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Salaries and Bonus	30,370,729		39,174,413	
Contribution to Provident Fund	863,334		734,481	
Staff Welfare Expenses	92,158	31,326,221	93,025	40,001,919
TOTAL		31,326,221		40,001,919

15 Other Expenses

	Year ended 31.03.2015		Year ended 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Rent (Refer note 19)		3,600,068		3,252,312
Shared Service Cost		-		1,800,000
Technology Cost		116,546,118		315,414,226
Audit Fees				
- Statutory Audit Fees	150,000		500,000	
- Other Services (Limited Review, Certification etc.)	195,000		595,000	
- Out of Pocket Expenses	-	345,000	10,990	1,105,990
Insurance		1,467,924		862,391
Legal and Professional Charges		1,631,376		2,999,377
Directors Sitting Fees		1,894,000		1,360,000
Bank Charges		694,077		1,273,282
Loss on Sale of Fixed Asset		741,181		-
Miscellaneous Expenses		4,933,498		4,433,585
TOTAL		131,853,242		332,501,163

16 Earnings Per Share

	Year ended 31.03.2015		Year ended 31.03.2014	
	Profit for the year attributable to equity shareholders (Rs.)		10,382,311	
Weighted average number of Equity Shares outstanding during the year (Nos.)		25,000,000		25,000,000
Basic /Diluted Earnings per share (Rs.)		0.55		0.05
Nominal Value of Equity Share (Rs.)		10		10

16.1 Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

16.2 There is no dilution to basic EPS as there are no outstanding dilutive potential equity shares.

17. Related Party information

a) Names of related parties and nature of relationship:

i. Holding Company (Control exists)

Metropolitan Stock Exchange of India Ltd. (MSEI)
(Formerly known as MCX Stock Exchange Ltd.)

ii. Company having significant influence over the Company

a) Financial Technologies (India) Limited (FTIL) (Refer Note 23)

b) Multi Commodity Exchange of India Limited (MCX)

iii. Key management Personnel (KMP)

- a) Mr. U. Venkataraman, MD and CEO till March 04, 2015.
- b) Mr. Partha Sarathi Sen, Chief Financial Officer w.e.f. November 03, 2014.
- c) Mr. Prasad Sawant, Company Secretary w.e.f. November 03, 2014.

b) Transactions with related parties (Amount in Rs.)

Sr. No.	Nature of transactions	Company whose Control Exists Metropolitan Stock Exchange of India Ltd (Formerly known as MCX Stock Exchange Ltd.)	Companies having Significant Influence (MCX)	Companies having Significant Influence (FTIL)
1	Clearing and Settlement Fees	124,541,005 (239,160,310)	- (-)	- (-)
2	Purchase of Fixed Assets	- (1,114,345)	- (-)	- (-)
3	Rent Paid	3,600,068 (3,252,312)	- (-)	- (-)
4	Shared Service Cost	- (1,800,000)	- (-)	- (-)
5	Software License Expenses	- (-)	- (-)	- (5,583)
6	Technology Cost	139,110,448 (315,414,226)	- (-)	- (-)
7	Other Expenses	- (-)	- (-)	28,124 (109,643)
8	Amount received for Settlement Guarantee Fund	- (25,000,000)	- (-)	- (-)
9	Payables (Balance at the end of the year)	1,111,762 (45,411,851)	- (-)	69,265 (41,704)
10	Bank Guarantee Given	- (250,000,000)	- (-)	- (-)

c) Transactions with KMP

No.	Sr. Nature of transactions	Amount (Rs.)
1.	Salary and allowances*: U. Venkataraman	8,608,385 (11,321,065)
2.	Payable towards Car Advance- U. Venkataraman	- (134,497)
3	Sale of Car to U. Venkataraman	134,497 (-)
4	Salary and allowances*: Partha Sarathi Sen	800,313 (-)
5	Salary and allowances*: Prasad Sawant	204,576 (-)

*Excludes gratuity and long term compensated absences which are actuarially valued for the Company as a whole.

Notes:

- (i) There are no provisions for doubtful debts or amounts written back/ written off during the year in respect of debts due to/ from related parties.

No.	Sr.	Nature of transactions	Amount (Rs.)
	(ii)	Figures in bracket are in respect of previous year.	

18. Employee benefit plans

In respect of Gratuity - Funded

Provision is made for gratuity based upon actuarial valuation done at the end of every financial year. Major drivers in actuarial assumptions, typically are years of service and employee compensation. Commitments are actuarially determined using the 'Projected Unit Credit' method. Gains or losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss as mentioned in the following table:-

	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
I.	Reconciliation of defined benefit commitments		
	Liability at the start of the year	2,810,438	2,115,682
	Interest Cost	261,652	169,255
	Current Service Cost	429,414	479,698
	Liability transfer in	1,406,414	807,692
	Liability transfer out		(64,696)
	Benefits Paid	(2,644,756)	
	Actuarial (gain)/ loss on obligations	(299,763)	(697,193)
	Liability at the end of the year	1,963,399	2,810,438
II.	Reconciliation of Fair value of plan assets		
	Fair value of plan assets at the start of the year	2,192,171	1,135,983
	Expected return on plan assets	204,091	98,831
	Contributions	25,336	144,727
	Transfer from other company	1,406,414	807,692
	Transfer to other company		(64,696)
	Benefits Paid	(2,644,756)	
	Actuarial gain on plan asset	(29,780)	69,634
	Fair value of plan assets at the end of the year	11,53,476	2,192,171
III.	Amount recognized in the Balance Sheet		
	Fair Value of Plan Assets at the end of the year	1,153,476	2,192,171
	Present Value of Benefit obligation as at the end of the year	(1,963,399)	(2,810,438)
	Net (Liability) / Assets recognized in the Balance Sheet	(809,923)	(618,267)
IV.	Expense recognised in the Statement of Profit and Loss		
	Current service cost	429,414	479,698
	Interest cost	57,561	169,255
	Expected return on plan assets		(98,831)
	Net actuarial (gain)/ loss recognized	(269,983)	(766,827)
	Expense recognised in the Statement of Profit and Loss	2,16,992	(216,705)
V.	Experience Adjustment		
	On Plan Liability (gains)/losses	(6,40,402)	(375,329)
	On Plan Asset gains/(losses)	(29,780)	69,634
VI.	Composition of Fund		
	Insurer Managed Funds (LIC)	100%	100%
VII.	Actuarial Assumption		
	Discount rate	9.31%	9.31%

	Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
	Salary escalation	7.50%	7.50%
	Mortality	Indian Assured Lives Mortality(2006-08) Ultimate	Indian Assured Lives Mortality(2006-08) Ultimate

Note: The above information is as certified by the actuary.

19. Operating Lease:

The Company has taken office premise on cancellable operating lease basis. The agreement is executed for period maximum up to 36 months with a renewal clause. Operating lease rentals debited to the Statement of Profit and Loss for the year is Rs. 3,600,068 /- (Previous year Rs.3,252,312/-)

20. Deferred Tax :

Particulars	As at 31.03.2015 Amount (Rs.)	As at 31.03.2014 Amount (Rs.)
Deferred Tax Assets / (Liabilities) (net):		
Difference in Written Down Value of Fixed Assets	(388,725)	(436,034)
Deferred Tax (Liability)	(388,725)	(436,034)
Provision for Compensated Absences	309,196	670,816
Carry Forward business losses and Depreciation	33,200,449	30,823,068
Deferred Tax Asset	33,509,645	31,493,884
Deferred Tax Asset Recognised	388,725	436,034

Recognition of deferred tax asset is restricted to the amount of deferred tax liability in view of losses incurred during the year. Deferred tax asset has not been recognised in the absence of virtual certainty.

21. Settlement Guarantee Fund

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:-

S No	Particulars	As on		Amount in Rs.
		March 31, 2015		March 31, 2014
		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	0
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	0	273,000,000	273,000,000
3.2	- Cash with MCX-SXCCL	28,238,718	531,577,577	620,204,896
3.3	- BG	0	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	0	2,189,242,890	1,470,484,980
3.6	- Approved Securities	0	444,250,459	459,880,830
4	Penalties	7,699	7,699	7,699
5	Interest	7,792,936	21,382,735	0
6	Total	359,542,836	6,659,007,067	8,354,231,640

S No	Particulars	As on		Amount in Rs.
		March 31, 2015		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	0
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	0	0	0
3.2	- Cash with MCX-SXCCL	28,238,718	346,396,002	383,658,321
3.3	- BG	0	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	0	2,189,242,890	1,470,484,980
3.6	- Approved Securities	0	444,250,459	454,609,485
4	Penalties	0	0	0
5	Interest	7,682,311	19,438,709	0
6	Total	351,924,512	5,974,319,400	7,219,023,963
Equity Cash Market				
1	MCX-SXCCL Contribution	2,500,000	2,500,000	0
2	MSEI Contribution	0	4,646,483	25,000,000
3	Members' Contribution	0	367,556,565	414,997,393
3.1	- Cash with MSEI	0	273,000,000	273,000,000
3.2	- Cash with MCX-SXCCL	0	39,856,565	46,821,565
3.3	- BG	0	14,800,000	29,400,000
3.4	- FDR	0	39,900,000	63,482,058
3.5	- G-Secs	0	0	0

S No	Particulars	As on		Amount in Rs.
		March 31, 2015		March 31, 2014
		Core SGF (constituted w.e.f. December 1, 2014)	Liquid Assets including core SGF	Liquid Assets (Core SGF was not applicable)
3.6	- Approved Securities	0	0	2,293,770
4	Penalties	7,699	7,699	7,699
5	Interest	36,875	293,605	0
6	Total	2,544,574	375,004,352	440,005,092
Equity Derivatives Segment				
1	MCX-SXCCL Contribution	2,500,000	2,500,000	0
2	MSEI Contribution	0	4,646,483	25,000,000
3	Members' Contribution	0	285,739,927	637,202,585
3.1	- Cash with MSEI	0	0	0
3.2	- Cash with MCX-SXCCL	0	137,325,010	181,725,010
3.3	- BG	0	25,000,000	105,500,000
3.4	- FDR	0	123,414,917	347,000,000
3.5	- G-Secs	0	0	0
3.6	- Approved Securities	0	0	2,977,575
4	Penalties	0	0	0
5	Interest	36,875	293,605	0
6	Total	2,536,875	293,180,015	662,202,585
Debt Market Segment				
1	MCX-SXCCL Contribution	2,500,000	2,500,000	0
2	MSEI Contribution	0	4,646,483	25,000,000
3	Members' Contribution	0	8,000,000	8,000,000
3.1	- Cash with MSEI	0	0	0
3.2	- Cash with MCX-SXCCL	0	8,000,000	8,000,000
3.3	- BG	0	0	0
3.4	- FDR	0	0	0
3.5	- G-Secs	0	0	0
3.6	- Approved Securities	0	0	0
4	Penalties	0	0	0
5	Interest	36,875	1,356,817	0
6	Total	2,536,875	16,503,300	33,000,000

22. Segment Reporting:

The Company operates only in the business of clearing and settlement services of trades carried out at Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited) within India. Consequently, there is no reportable business or geographical segments.

23. 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 Company 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.

24. In FY 2013-14, due to negotiations between Financial Technologies (I) Ltd (FTIL) and Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited) (MSEI) for various technology cost levied by FTIL, no provision was made by MSEI towards certain Technology Cost. As per the agreement, part of the Technology Cost was to be billed to MCX-SX Clearing Corporation Ltd (MCX-SXCCL). On crystallization of the above technology cost during the current financial year, MSEI billed Rs.22,564,330 to MCX-SXCCL which pertains to FY 2013-14. This has amounted to short recognition of Clearing and Settlement charges of Rs.25,948,980 pertaining to FY 2013-14 by MCX-SXCCL. Thus net impact of these adjustments, i.e. Rs.3,384,650, has been disclosed under Exceptional Items.

25. Figures of the previous year have been regrouped wherever necessary to correspond with those of the current year.

Signature to Notes to Financial Statements 1 to 25.

In terms of our report attached
For Kirtane & Pandit,
Chartered Accountants

For and on behalf of the Board

Sd/-
Chandrashekhar
Partner
Membership No: - 042376
FRN:-105215W/W100057

Sd/-
Vepa Kamesam
Chairman

Sd/-
Udai Kumar
Managing Director

Sd/-
Partha Sarathi Sen
Chief Financial Officer

Place: Mumbai
Date: May 19, 2015

Place: Mumbai
Date: May 19, 2015

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