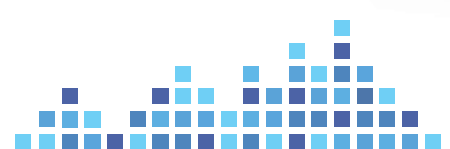


ANNUAL REPORT

2012-13

MCX[»]SX
»» C L E A R

www.mcx-sx.com/CCL/CCI.htm



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About MCX-SX Clearing Corporation Limited (MCX-SX CCL)

MCX-SX Clearing Corporation Limited (MCX-SX CCL) was incorporated on November 7, 2008 under the Companies Act, 1956. The Company is promoted by MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Limited (MCX) and Financial Technologies (India) Limited (FTIL). The promoters of MCX-SX Clearing Corporation Ltd. are reputed entities who have extensive domain knowledge of setting up Exchanges. The main business of MCX-SX Clearing Corporation Limited is to act as a central counterparty to all the trades and provide full novation and carry out the business of clearing and settlement of trades done on Currency Derivatives, Capital Market, Futures and Options and Debt Market Segments of stock exchanges.

Corporate Information

BOARD OF DIRECTORS

- Mr. Vepa Kamesam – Public Interest Director
- Mrs. Asha Das, IAS (Retd.) – Public Interest Director
- Dr. M.Y. Khan – Public Interest Director
- Mr. Jayant Deo – Public Interest Director
- Mr. V.K. Khanna – Public Interest Director
- Mr. P.K. Chhokra – Public Interest Director
- Mr. Paras Ajmera – Shareholder Director
- Mr. Joseph Massey – Shareholder Director
- Mr. U Venkataraman – MD and CEO

COMPANY SECRETARY

- Mr. Ameya Paranjape

STATUTORY AUDITORS

- M/s. Deloitte Haskins and Sells, Chartered Accountants

REGISTERED OFFICE

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

CLEARING BANKS

- Axis Bank Ltd.
- Bank of India
- Canara Bank
- Central Bank of India
- Citi Bank
- Dhanlaxmi Bank*
- HDFC Bank Ltd
- HSBC
- ICICI Bank Ltd.
- IDBI Bank
- Indusind Bank Ltd.
- Kotak Mahindra Bank Ltd.
- State Bank of India
- Standard Chartered Bank
- Union Bank of India
- Yes Bank Ltd

*Not yet commenced operations as Clearing Bank

Directors' Report

TO THE MEMBERS,
MCX-SX CLEARING CORPORATION LIMITED

Your Directors are pleased to present their Fifth Report on the business and operations of your Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended March 31, 2013.

1. Financial Results

(Amount in ₹)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Total Income	200,977,306	165,677,071
Less: Expenditure	199,991,755	158,814,625
Profit Before Tax	985,551	6,862,446
Less: Provision For Tax	-	-
Profit After Tax	985,551	6,862,446

During the year under review, the Company has registered a total income of ₹200,977,306/- as against ₹165,677,071/- in the previous year. The profit after tax for the year under review is ₹9,85,551/- as compared to ₹6,862,446/- for the previous year.

The drop in profit compared to previous year is mainly due to setup cost incurred by the Company for two new segments i.e. Capital Market and Futures & Options.

2. Review of Operations

Your Company, MCX-SX Clearing Corporation Limited (MCX-SX CCL), was jointly promoted by MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Limited (MCX) and Financial Technologies (India) Limited (FTIL), as a new age Clearing Corporation constituted to undertake clearing and settlement of deals in multi asset classes. The company offers best-in-class services to its clearing members with the help of its state of the art risk management framework and unparalleled clearing and settlement systems with dedicated linkages with clearing partners.

Your Company was incorporated on November 7, 2008 and commenced its operations on February 16, 2009 on receipt of regulatory approvals and after completion of requisite formalities including opening of accounts and execution of agreements with participants.

Your Company, received authorization from RBI under Section 10 of Foreign Exchange Management Act, 1999 on August 3, 2012 to undertake activities relating to clearing and settlement of currency options contracts. It had commenced clearing and settlement of

currency options contracts dealt on MCX-SX from August 10, 2012. MCX-SX received permission from SEBI to commence trading in Interest Rate Derivatives, Equity, Futures & Options on Equity and Whole-sale Debt segments on December 19, 2012. Accordingly MCX-SX commenced its operations in the Capital Market and Futures & Options Segment from February 11, 2013. Your Company has carried out the clearing and settlement of the above trades executed on MCX-SX.

Further pursuant to approval received from SEBI, MCX-SX has commenced trading in Index future and options on SX 40, flagship Index of MCX-SX w.e.f. May 15, 2013. Your Company has carried out clearing and settlement of the above trades.

The company currently clears and settles the deals entered in the Capital Market, Futures & Options, Currency Derivatives and Debt Market Segments of MCX-SX.

Your Company had received in-principle recognition from SEBI on April 3, 2013 to act as a Clearing Corporation for a period of one year subject to fulfillment of conditions stipulated in the recognition letter. The Company is in the process of complying with the conditions stipulated in the recognition letter.

Your Company has adopted various best practices in the industry to make sure transactions are managed efficiently and completed seamlessly, which includes 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.

A. Service wise details

i. Clearing and Settlement - Currency Derivatives Segment

During the financial year 2012-13, your Company had successfully carried out 243 default-free settlements amounting to ₹3349.78 crore without any delay. On account of its robust risk management practices, Settlement Guarantee Fund (SGF) has never been put to use.

Monthly statistics of settlements are as follows:

(₹ in crore)

Month	Futures		Options		Total
	Daily Settlement	Final Settlement	Premium Settlement	Exercise Settlement	
Apr-12	205.71	1.47	-	-	207.17
May-12	574.70	9.70	-	-	791.58
Jun-12	318.15	4.79	-	-	1114.52
Jul-12	403.76	3.38	-	-	1314.48
Aug-12	171.22	0.79	3.09	0.16	905.35
Sep-12	287.42	5.81	10.83	5.82	892.28
Oct-12	260.01	4.61	9.56	3.46	762.78
Nov-12	279.68	1.08	9.01	2.68	879.97
Dec-12	197.30	1.55	9.90	1.42	780.26
Jan-13	253.90	5.11	15.38	2.94	779.95
Feb-13	195.15	3.86	18.41	1.18	706.10
Mar-13	154.42	6.21	20.88	3.11	680.57
Total	3301.42	48.36	97.06	20.78	3467.62

The SGF had grown from ₹875.16 crore as on March 31, 2012 to ₹1078.04 crore as on March 31, 2013. The growth in SGF is commensurate with the growth in transaction volumes and open interest.

ii Clearing and Settlement – Capital Market Segment

Your Company had commenced clearing and settlement of transactions executed in Capital Market Segment of MCX-SX, w.e.f. February 11, 2013. MCX-SX CCL has completed 31 default free settlements in a timely manner during the period from February 11, 2013 to March 31, 2013.

Monthly statistics of settlements are as follows:

Statistics of transactions and settlements:

Month	Quantity			Value (₹ crore)		
	Traded	Deliverable	Delivery %	Traded	Deliverable	Delivery %
Feb-13	138866	12645	9.11	2.51	0.46	18.22
Mar-13	1573283	17848	1.13	22.23	1.59	7.17
Total	1712149	30493	1.78	24.74	2.05	8.29

Note - Details are provided for the settlements completed in the relevant period. The SGF as on March 31, 2013 was ₹57.15 Crore.

iii. Clearing and Settlement – Futures & Options Segment

Clearing & Settlement operations for Futures & Options Segment has commenced on February 11, 2013. Since then Clearing Corporation has successfully carried out 33 settlements amounting to ₹5.82 crore without delay and defaults.

Following table depicts the monthly statistics of settlements:

(Amount in ₹ crs)

Month	Futures		Options		Total
	Daily Settlement	Final Settlement	Premium Settlement	Exercise Settlement	
Feb-13	0.41	0.16	0.00	0.00	0.57
Mar-13	4.07	1.01	0.17	0.00	5.26
Total	4.48	1.16	0.17	0.00	5.82

The SGF as on March 31, 2013 was ₹188.74 Crore.

B. New initiatives and developments

Introduction of Options on USD-INR Spot:

Clearing Corporation has extended its Clearing and Settlement Services in Currency Derivative Segment by adding options to the portfolio of cleared products with the launch of Options on USD-INR Spot rate by MCX-SX on August 10, 2012 in the Currency Derivatives Segment.

Commencement of Clearing and Settlement Operations in New Segments:

MCX-SXCCL has commenced Clearing and Settlement of transactions executed in MCX-SX in the newly launched Capital Market Segment and F&O segments, with effect from February 11, 2013 and Debt Market Segment from June 10, 2013.

New Clearing Banks:

With the introduction of new segments, Clearing Corporation has added more Clearing Banks in order to provide wider choice to members. As on date, the following banks are partnered with MCX-SXCCL as Clearing Banks.

1. Axis Bank Ltd.
2. Bank of India
3. Canara Bank
4. Central Bank of India
5. Citi Bank
6. Dhanlaxmi Bank*
7. HDFC Bank Ltd
8. HSBC
9. ICICI Bank Ltd.
10. IDBI Bank
11. Indusind Bank Ltd.
12. Kotak Mahindra Bank Ltd.

13. State Bank of India
14. Standard Chartered Bank
15. Union Bank of India
16. Yes Bank Ltd.

Punjab National Bank is in the process of empanelment as clearing bank.

**Not yet commenced operations as Clearing Bank.*

New Features in 'My>Exchange'

'My>Exchange' is a web based interface launched for members for accessing information relating to collaterals, margins & obligations. Using this interface member can also access and download daily reports provided by the exchange/clearing corporation and upload client margin details. A new facility has been introduced in 'My>Exchange', using which clearing members can request their clearing banks for transferring cash deposits towards collaterals. Upon confirmation of cash transfer, the collateral deposits are automatically updated at MCX-SXCCL's end. Using 'My>Exchange' members can also place requests for release of their collateral deposits.

T+0 Settlement Option in Equity Derivatives

As per extant SEBI guidelines and in line with Currency Derivatives Segment, Clearing Corporation has provided a facility to clearing members to make MTM pay-in before the start of the market on T+1 day in Equity Derivatives Segment. Payment of MTM before start of market on T+1 day is considered as T+0 settlement as per SEBI guidelines and members opted for T+0 settlement are subject to lower margin requirement as compared to members opted for T+1 settlement.

Depository Operations

Your Company is registered with NSDL and CDSL as a Depository Participant as well as as a Clearing Corporation. MCX-SXCCL has commenced operations of its depository interface as a clearing corporation for facilitating settlements in Capital Market Segment before the launch of Capital Market Segment. Clearing corporation has performed various activities in depository participant interface including opening early pay-in accounts for clearing members, pay-in and payout of securities in dematerialized mode.

Renewal of certification/rating and regulatory approvals

LAAA (SO) rating from ICRA

MCX-SX CCL has retained the LAAA (SO) rating by ICRA, indicating highest level of safety of collaterals parked with the Clearing Corporation.

ISO Certification

MCX-SX CCL follows well defined operating procedures and clearly defined service standards to provide quality and timely services to members. Considering the sensitive nature of its business, the company adheres to stringent information security standards. This has enabled MCX-SX CCL to become the first Indian Clearing Corporation to obtain ISO certifications for Quality Management System (ISO 9001-2008) and Information Security Management System (ISO 27001-2005) from the first year of operations

Approved Intermediary under Securities Lending Scheme, 1997

SEBI vide its letter dated May 28, 2013 has approved registration of MCX-SX CCL as an Approved Intermediary under SEBI's Securities Lending Scheme, 1997 for a period of three years from June 1, 2013 to May 31, 2016.

Debt Market Segment

Your Company sees vast potential for the development of Exchange traded Debt segment in India. SEBI's new guidelines issued vide Circular No. CIR/MRD/DP/03/2013 dated January 24, 2013 providing for setting up of dedicated Debt segment in Stock Exchanges, is a welcome step to realize this potential.

Your Company, in partnership with MCX-SX is committed to contribute its best to the development of a vibrant debt market in India and accordingly has started providing services both in Institutional and Retail Market from June 10, 2013. Your Company has also been recognized as eligible entity for settlement of OTC transactions in Corporate Bonds, Certificate of Deposits and Commercial Papers.

3. Regulatory Updates

SEBI has brought about far reaching changes in the regulatory regime pertaining to Clearing Corporations through Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 notified on June 20, 2012 ("SECC Regulations") and the subsequent circular issued on December 13, 2012. Some of the important changes are given below:

- **Recognition as a Clearing Corporation**

The most important change brought about by the SECC Regulations was that clearing corporations have to get recognized by SEBI for acting as such. The Regulations had further provided that existing person who clears and settles trades of a Stock Exchange as on date of the Regulations may continue to do so for a period of three months. Your Company had accordingly made an application for seeking recognition as clearing corporation from SEBI on September 18, 2012. The Company received in-principle recognition from SEBI on April 3, 2013 to act as a Clearing Corporation for a period of one year subject to fulfillment of conditions stipulated in the recognition letter. The Company is in the process of complying with all the conditions stipulated

in the in-principle recognition letter.

- **Board of Directors**

Regulation 23 of the SECC Regulations stipulates the Composition of the Governing Board of a stock exchange or clearing corporation.

As per the said regulation, 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.

To comply with the above Regulations, your company has made an application to SEBI proposing eight names for nomination as PIDs. In response to the same SEBI vide its letter dated June 20, 2013 has approved Mr. Vepa Kamesam, Dr. M.Y. Khan, Mr. V.K. Khanna, Mr. Jayant Deo, Mr. P.K. Chhokra and Mrs. Asha Das as Public Interest Directors on governing Board of the Company. The two independent directors viz. Mr. P.R. Barpande and Dr. Prakash Apte resigned from the Board w.e.f. July 25, 2013 in view of the appointment of Public Interest Directors by SEBI.

At present the Company's governing board consists of six Public Interest Directors (Independent Directors), two Non-Executive/Shareholder Directors and the Managing Director & CEO, who assumed office pursuant to SEBI's letter dated April 3, 2013 approving his appointment and is in compliance with the SECC Regulations.

- **Networth and Shareholding**

Regulation 14(3) of the SECC Regulations has prescribed a minimum networth of ₹300 crore to operate as a clearing corporation. The existing clearing corporations have been given a time limit of three years from the date of recognition granted by SEBI to achieve this networth. Further as per para 3 (b) of the SEBI circular dated December 13, 2012 a clearing corporation which has made application for recognition in terms of second proviso of regulation 3 of the SECC Regulations and has a networth of less than ₹300 crore shall submit its plan duly approved by its shareholders to SEBI within 90 days from the date of the circular.

Regulation 18 of the SECC Regulations provide that atleast 51% of the share capital of a clearing corporation shall be held by one or more recognized Stock Exchanges. A person, directly or indirectly either individually or with persons acting in concert, can hold upto 5% of the paid-up share capital of clearing corporation. However, a depository, bank, insurance company, public financial institution can hold upto 15% of paid up equity share capital.

Further a non-resident, directly or indirectly either individually or with persons acting in concert, cannot hold more than 5% of paid up equity share capital. Total non-resident shareholding cannot exceed 49%, with total FII holding cap of 23%.

The Company had accordingly submitted an action plan for achieving minimum networth of ₹300 crore complying with the above shareholding requirements, duly approved by the Board and the shareholders, to SEBI on March 11, 2013.

While submitting the action plan for achieving the minimum networth, the Company had submitted that it shall ensure that MCX-SX will continue to hold atleast 51% of the paid-up share capital of the Company.

- **Statutory Committees**

As per para 7.1 of the SEBI circular dated December 13, 2012, certain Committees are required to be statutorily constituted by a recognized clearing corporation.

Your Company at present has constituted following committees viz. Remuneration cum Compensation Committee, Ethics Committee, Member Regulation Oversight Committee, Risk Management Committee, Advisory Committee, Defaulters Committee, Investors Service Committee, Disciplinary Action Committee, Membership Selection Committee, Grievance Redressal Committee, Standing Committee on Technology, Committee to monitor compliance with SEBI Inspection report and Public Interest Directors Committee.

- **Key Management Personnel**

Para 8 of Circular read with Regulation 27 (5) of SECC Regulations lays down extensive requirements in respect of Compensation Policy for Key Management personnel (KMPs). The Compensation Committee of the Company has identified department heads and senior executives of the Company as Key Management Personnel. The personnel have been identified as KMPs having regard to the SECC Regulations, Circular issued by SEBI on December 13, 2012 and the responsibilities and functions handled by them. The details pertaining to the same are annexed at Annexure-A.

Mr. Ameya Paranjape has been appointed as Company Secretary of your Company with effect from April 30, 2013.

- **Corporate Governance**

Every Clearing Corporation is required to comply with disclosure and corporate governance provisions as applicable to listed companies mutatis mutandis.

Your Company is committed to maintaining highest standards of Corporate Governance. Your Directors adhere to the "Code of conduct for Directors and Committee Members" and the Corporate Governance practices as applicable to the

Company. Your Company's Corporate Governance Compliance certificate dated July 25, 2013 is in line with Clause 49 of the Listing Agreement and is annexed to this Annual Report.

- **Agreement with Stock Exchange**

As per Regulation 37 of the SECC Regulations, a recognized stock exchange shall avail the service of a recognized clearing corporation pursuant to an agreement in writing between them stipulating their rights and obligations, the conditions for admission of securities for clearing and settlement, risk management measures, charges for clearing and settlement and other incidental and consequential matters. Your Company has executed an agreement with MCX-SX stipulating their rights and obligations, the conditions for admission of securities for clearing and settlement, risk management measures, charges for clearing and settlement and other incidental and consequential matters.

MCX-SX had extended its arbitration mechanism for settlement of disputes or claims arising out of clearing and settlement of trades executed on it.

- **Prohibition of listing of securities of Clearing Corporations and dematerialization**

The SECC Regulations provide that securities of clearing corporations cannot be listed on any Stock Exchange. They also provide that securities of clearing corporations have to be in dematerialized form. Accordingly the shares held by majority of the shareholders are in demat form whereas the shares held by the nominee shareholders are in physical form.

- **SEBI's Risk Management Review Committee**

SEBI constituted an Expert Committee Chaired by Prof. J R Varma to review and recommend changes in the risk management framework for the cash and derivatives Segment. The Committee has suggested various changes in the risk management framework which includes order level checks, dynamic price bands and introduction of risk reduction mode. The Committee is also reviewing SGF & stress testing norms and measures for facilitating segregation and protection of client collaterals.

- **SEBI's Committee on Clearing Corporations**

SEBI constituted a Committee chaired by Mr. K V Kamath to study the viability of interoperability and single Clearing Corporation. The Committee also reviewed the requirements for transfer of profits by recognized stock exchanges to the SGF maintained by Clearing Corporations. The Committee held discussions with Exchanges and Clearing Corporations on the above mentioned matters and findings in this regard are awaited.

4 Dividend and Reserves

No dividend is recommended by the Board in view of the Company being in its initial stages for the new segments. For the same reason, no amount is proposed to be carried to the general reserves for the year ended March 31, 2013.

5. Outlook for the Current Year

Your Company has started Clearing & Settlement of trades in the newly launched capital market, futures & Options segment of MCX-SX from February 11, 2013 and debt market segment on June 10, 2013. The outlook is optimistic on performance of these segments. The Financial year 2012-13 has seen vibrant trading in the existing currency derivative segment of the Exchange and the same is expected to continue in the coming years.

Your Company sees great potential for growth of debt and SME segments in India during the coming years. Your company is accordingly geared up to offer clearing and settlement services in SME segment upon receiving approval of SEBI. Your Company will in partnership with MCX-SX continue to strive for financial inclusion through financial literacy.

6. Share Capital

The paid up Share Capital of the Company is ₹25,00,00,000/- divided into 2,50,00,000 equity shares of ₹10/- each. The shareholding pattern is as under:

Sr. No.	Name of Shareholder	No. of shares of ₹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%

In the extra-ordinary general meeting of the Company held on March 11, 2013, the Company approved the action plan for achieving the net-worth of ₹300/- Crore within the timelines stipulated by SEBI.

7. Directors

Prof. (Mrs.) Ashima Goyal had resigned as a director of the Company w.e.f. January 16, 2013. Mr. Paras Ajmera is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

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.

To comply with above regulations your company had made application to SEBI for nomination of Public Interest Directors. In response to the same SEBI vide its letter dated June 20, 2013 had approved Mr. Vepa Kamesam, Dr. M.Y. Khan, Mr. V.K. Khanna, Mr. Jayant Deo, Mr. P.K. Chhokra and Mrs. Asha Das as Public Interest Directors on governing Board of the Company. The two independent directors viz. Mr. P.R. Barpande and Dr. Prakash Apte resigned from the Board w.e.f. July 25, 2013 in view of the appointment of Public Interest Directors by SEBI.

At present the Company's governing board consists of six Public Interest Directors (Independent Directors), two Non-Executive/Shareholder Directors and the Managing Director & CEO and is in compliance with the SECC Regulations.

8. Management

Mr. U Venkataraman, has been appointed as the Managing Director and CEO of the company w.e.f. April 3, 2013 as per the approval received from SEBI. Mr. Balu Nair heads the operations of the Company.

9. Human Resources

During financial year 2012-13, 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, 2013 was 36. There has been significant increase in the manpower in the year 2012-13 in light of commencement of new segments and implementation of the new Disaster Recovery plan.

10. Auditors

M/s Deloitte Haskins and Sells, Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the Company and have confirmed their eligibility for reappointment.

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. Consequent to resignation of Mrs. Ashima Goyal the Committee was reconstituted on February 12, 2013 to include Dr. Prakash Apte as member of the Committee. Further in view of appointment of Public Interest Directors by SEBI and resignation of Dr. Prakash Apte and Mr. P.R. Barpande the Committee was reconstituted again on July 25, 2013 comprising of three directors of which two are Public Interest Directors (Independent Directors) and one Non-Executive/Shareholder Director. The composition of the Audit Committee is as follows:

- a. Mr. V K Khanna – Member (Public Interest Director)
- b. Mr. P K Chhokra – Member (Public Interest Director)
- c. Mr. Joseph Massey – Member (Non-Executive/Shareholder Director)

The Audit Committee met four times during Financial Year 2012-13 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, Rules 2(A) and 2(B) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption, respectively, are not applicable to the Company.

B. Foreign Exchange earnings/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 sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as also with regulation 27(5) of the SECC Regulations are annexed as Annexure -A.

15. Sweat Equity Shares

The Company did not issue any sweat equity shares and hence the requirements of rule 7 of the Unlisted Companies (Issue of Sweat Equity Shares) Rules, 2003 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 Statutory Auditors thereon and Management Discussion and Analysis Report are attached and form part of this report.

17. Directors Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Management, confirm that:-

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

- ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis.

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 section 217(2B) read with section 77A of the Companies Act, 1956 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 and particularly the successful launch of new segments. 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 and 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

Place: Mumbai
Date: July 25, 2013

U Venkataraman
MD & CEO

Joseph Massey
Director

Annexure A to the Directors' Report

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and Regulation 27(5) of the SECC Regulations.

Name & Qualification	Age in Yrs.	Designation / Nature of Duties	Remuneration received in ₹	Experience (No. of yrs)	Date of commencement of employment	Previous employment
Mr. U Venkataraman BBA, Certified Associate of Indian Institute of Banking and Finance	59	CEO & Whole-time Director	Nil	37	17-Apr-09	IDBI Bank Ltd.
Mr. Balu Nair BBA, MBA- Finance	35	Vice President – Market Operations	4,477,000	12.2	18-Feb-09	National Stock Exchange of India Ltd.
Mr. Fardeen Siddiqui B.Com, Master of Management Studies	31	Senior Manager - Operations	1,870,000	9.2	2-Apr-12	DBOI Global Services Pvt Ltd
Mr. Partha Sarathi Sen B.Com, ACA, Grad CWA	41	Senior Manager – Finance & Accounts	1,825,000	14.3	1-Nov-09	ICICI Bank Ltd.
Mr. Anandprasad Date[#] BA, ACS	32	Company Secretary & Compliance Officer	1,083,333	7.4	4-Jun-12	RSM Astute Consulting Pvt. Ltd.

Notes:

1. Mr. U Venkataraman was appointed as Managing Director & CEO for a period of three years from April 3, 2013.
2. Mr. Anandprasad Date had resigned as Company Secretary of the Company w.e.f. April 30, 2013 and Mr. Ameya Paranjape had been appointed as Company Secretary and Compliance officer w.e.f. April 30, 2013.
3. All other employees listed above are/were in permanent employment of the Company in accordance with the terms and conditions of employment agreed with them and the service rules of the company.
4. None of the employees are 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.
5. None of the above employees are related to any Director of the Company.
6. [#]Joined during the year.

For and on behalf of the Board of Directors

Place: Mumbai
Date: July 25, 2013

U Venkataraman
MD & CEO

Joseph Massey
Director

Corporate Governance Report

1. 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, MCX Stock Exchange 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 stake holders and help in sustaining its stakeholder's confidence including shareholders, employees, Corporation/Company and the communities in which it operates.

Corporate Governance is an ongoing process at MCX-SX Clearing Corporation Limited. To keep pace with an evolving global environment, your Company continuously adapts best governance practices for carrying its business in ethical and transparent manner.

Your Company always endeavors to adopt 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.

2. Board of Directors

A. Composition of the Board

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

SEBI vide its letter dated April 03, 2013 had granted your Company in-principle recognition to act as a Clearing Corporation for a period of one year subject to fulfillment of certain conditions.

The present Board of the Company comprises of the Managing Director & CEO, Public Interest Directors and Non-Executive Independent/Shareholder Directors. The SECC Regulations requires 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.

As per SEBI Circular No. CIR/MRD/DSA/33/2012 dated December 13, 2012 a recognized Clearing Corporation is required to submit names for vacancies of Public Interest Directors (PIDs). Accordingly the Company has proposed to SEBI the candidatures of 8 persons for nomination as PIDs. SEBI vide its letter dated June 20, 2013 had approved Mr. Vepa Kamesam, Dr. M.Y. Khan, Mr. V.K. Khanna, Mr. Jayant Deo, Mr. P.K. Chhokra and Mrs. Asha Das as Public Interest Directors on the Board of the Company.

B. Meetings of the Board

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

During the Financial Year 2012-13, Board of Directors met four times on April 27, 2012, September 7, 2012, November 27, 2012 and February 12, 2013. The Company Secretary prepares the agenda and the explanatory notes, in consultation with the Managing Director/Whole-time 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. 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 taken at the Board/Committee meetings are communicated to the concerned departments promptly.

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 Company had received in principle recognition from SEBI vide its letter dated April 03, 2013. Accordingly the disclosure and corporate governance norms as specified for listed companies shall mutatis mutandis apply to the Company. The Company has started complying with the requirements of listing agreement to the extent practicable and applicable.

The 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, 2013 is given below:

Name of the Director and 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. Joseph Massey Non – Executive Director/ Shareholder Director	4	4	Present	14@	-	2
Mr. U Venkataraman[§] Managing Director and CEO	4	4	Present	2	-	1
Mr. Paras Ajmera Non – Executive Director/Shareholder Director	4	1	Absent	9***	-	-
Dr. Prakash Apte^{##} Non – Executive Independent Director	4	3	Absent	2(1)	-	-
Prof. (Mrs.) Ashima Goyal[^] Non –Executive Independent Director	4	3	Absent	1(1)	-	-
Mr. P.R. Barpande^{##} Non –Executive Independent Director	4	4	Absent	4(4)	1	3

No. of meetings held during the year.

@ includes directorship of 7 foreign companies

* Figures in bracket indicates directorship of private companies.

*** Includes directorship in 3 foreign companies

** Only Audit Committee and Shareholders' Grievance Committee of Indian Public Limited companies have been considered.

[^] Prof. (Mrs.) Ashima Goyal, Non-Executive Director of the Company had resigned with effect from January 16, 2013.

[§] Appointed as Managing Director of the Company w. e. f. April 3, 2013.

^{##} Dr. Prakash Apte and Mr. P.R Barpande, Non-Executive Directors of the Company have resigned with effect from July 25, 2013

- None of the Directors listed above is related inter-se.
- None of the Directors holds the office of Director in more than the permissible number of companies under the Companies Act, 1956.
- The Committee Chairmanships / Memberships are within the limits laid down in Clause 49 of the Listing Agreement.
- SEBI vide its letter dated June 20, 2013 had approved Mr. Vepa Kamesam, Dr. M.Y. Khan, Mr. V.K. Khanna, Mr. Jayant Deo, Mr. P.K. Chhokra and Mrs. Asha Das as Public Interest Directors on the Board of the Company.

3. Board Committees

i. Audit Committee

The Audit Committee plays a vital role in ensuring high level of governance standards

by overseeing, monitoring and advising the Company's management and auditors in conducting audits and preparation of financial statements.

A. Terms of reference

The role and functioning of the Audit Committee are in conformity with section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement and the requirements of 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 and removal of external auditors, fixation of audit fee and approval for payment to any other services;
- c. To review with the management, the annual financial statements before submission to the Board, focusing primarily on:
 - i. Any changes in accounting policies and practices;
 - ii. Major accounting entries based on exercise of judgment by the management;
 - iii. Significant adjustments arising out of audit findings;
 - iv. The going concern assumption;
 - v. Compliance with accounting standards;
 - vi. Compliance with legal requirements concerning financial statements;
 - vii. Any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of Company at large.
- d. To review with the management, external and internal auditors, the adequacy of internal control systems;
- e. 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.
- f. To discuss with internal auditors any significant findings and follow up thereon;
- g. To review the findings of internal investigations into matters where there is suspected fraud or irregularity or failure of internal control system of a material nature and report to Board;
- h. To discuss with the statutory auditors before the audit commences, nature and the scope of audit as well as have post-audit discussion to ascertain any area of concern;
- i. To review financial statements before submissions to the Board;

- j. To review Company's financial risk management policies.
- k. Review of information as prescribed under clause 49 of the Listing Agreement

B. Composition, meetings and attendance during the year

During the year our audit committee ("the Committee") comprised of three Non-Executive/Independent Directors and one Non-Executive/Shareholder Director:

- Mr. P.R. Barpande
- Mr. Joseph Massey
- Mrs. Ashima Goyal
- Dr. Prakash Apte

Effective July 25, 2013, the Committee was reconstituted as follows:

- Mr. Joseph Massey - Shareholder Director/Non - Executive Director
- Mr. V.K. Khanna – Independent Director
- Mr. P.K. Chhokra - Independent Director

During the financial year 2012-13, the Audit Committee met 4 (four) times on April 27, 2012, September 07, 2012, November 27, 2012 and February 12, 2013.

Member	Category	Meetings held	Meetings Attended
Mr. P R Barpande***	Non-Executive, Independent Director	4	4
Mr. Joseph Massey	Non-Executive Director/ Shareholder Director	4	4
Mrs. Ashima Goyal#	Non-Executive, Independent Director	4	3
Dr. Prakash Apte*	Non-Executive, Independent Director	4	0

Prof. (Mrs.) Ashima Goyal, Non-Executive Independent Director of the Company had resigned with effect from January 16, 2013.

* Dr. Prakash Apte, Non-Executive Independent Director of the Company was member of the Committee during the period February 12, 2013 to July 25, 2013.

*** Ceased as member of the Committee w.e.f. July 25, 2013.

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. Remuneration cum Compensation Committee

The Board had constituted a Remuneration Committee at its meeting held on April 17, 2009 as per provisions of Companies Act, 1956, the said Committee has been further redesignated as Compensation Committee in terms of SECC Regulations on September 7, 2012. Further on July 25, 2013 the Board redesignated Compensation Committee as 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 terms of reference of the Committee is expanded to align the same

with the requirements of SECC Regulations. 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.

a. Composition, meetings and attendance during the year:

During the year our Remuneration cum Compensation Committee ("the Committee") comprised of two Non-Executive/Independent Directors:

- Mr. P.R. Barpande
- Dr. Prakash Apte

Effective July 25, 2013, the Committee was reconstituted as follows:

- Mr. Vepa Kamesam - Independent Director
- Mrs. Asha Das - Independent Director
- Mr. Joseph Massey - Shareholder Director/Non - Executive Director

During the financial year 2012-13, the Committee met once on March 23, 2013.

Member	Category	Meetings held	Meetings Attended
Mr. P.R. Barpande*	Non-Executive, Independent director	1	1
Dr. Prakash Apte*	Non-Executive, Independent director	1	1

* Ceased as member of the Committee w.e.f. July 25, 2013.

The Company Secretary is the Secretary of the Committee.

b. Details of remuneration payable to Directors

• Remuneration of the Managing Director and his Shareholding

Mr. U Venkataraman has been appointed as Managing Director & CEO ("MD and CEO") of the Company w. e. f. April 3, 2013 pursuant to approval received from SEBI. Based on recommendation of Remuneration cum Compensation Committee, the Board at its meeting held on May 9, 2013 had approved remuneration as stated below to be paid to MD and CEO w. e. f. April 3, 2013.

Sr. No.	Components	Amount in ₹
1	Basic	42,00,000
2	HRA	21,00,000
3	Other Allowance	5,04,000
4	Special Allowance	25,17,777
5	Food Coupons	14,400
6	Medical Reimbursement	15,000
7	LTA Reimbursement	3,50,000
8	Other Entitlements or Reimbursement	5,64,000
A	Total Cash Component	10,265,177
Benefits		
1	Annual Gratuity	2,01,923

Sr. No.	Components	Amount in ₹
2	Annual Personal Accident Policy	1,700
3	Annual Mediclaim	45,500
4	Annual Car Eligibility	2,80,000
5	Annual Group Insurance	5,700
B	Total benefits	5,34,823
(A+B)	Gross Cash and Non-cash salary	1,08,00,000
	Notice Period	6 months
	Severance fees	Nil except notice pay

Managing Director and CEO is not holding any shares in the Company.

- Remuneration of the Non-Executive Directors and their shareholding as on 31.03.2013 is as below:

Name of the Director	Sitting Fees (Amount in ₹)		Shareholding in the Company as on 31.03.2013 (in Nos.)
	Board Meetings	Committee Meetings	
Dr. Prakash Apte	30,000	130,000	NIL
Prof. (Mrs.) Ashima Goyal	30,000	50,000	NIL
Mr. P.R. Barpande	40,000	190,000	NIL
Mr. Joseph Massey	NIL	NIL	NIL
Mr. Paras Ajmera	NIL	NIL	NIL

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 shareholder matters as may be specified by the Board from time to time

b. Composition, meetings and attendance during the year

During the year our Shareholders Grievance Committee (the Committee) comprised two Non-Executive/Shareholder Directors and one Non-Executive/Independent Director:

- Mr. Joseph Massey
- Mr. P R Barpande
- Mr. U Venkataraman

Effective July 25, 2013, the Committee was reconstituted as follows:

- Mr. Joseph Massey - Shareholder Director/Non - Executive Director
- Mrs. Asha Das - Independent Director
- Mr. P K Chhokra - Independent Director

During the financial year 2012-13, the Committee met once on March 15, 2013.

Member	Category	Meetings held	Meetings Attended
Mr. Joseph Massey	Non-Executive Director/ Shareholder Director	1	1
Mr. P. R. Barpande**	Non-Executive, Independent Director	1	1
Mr. U Venkataraman#**	Managing Director and CEO	1	1

Appointed as Managing Director of the Company w. e. f. April 3, 2013.

** Ceased as member of the Committee w.e.f. July 25, 2013

The Company Secretary is the Secretary of the Committee.

During the financial year 2012-13, 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 2012-13 are as follows:

Sr. No.	Particulars	Opening	Additions	Resolved	Outstanding
1	Shareholders Complaints	NIL	NIL	NIL	NIL
2	Demat requests received	NIL	3	3	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, 2013.

IV. Other Board Committees

Your Company is regulated by SEBI and is required to comply with the requirements of SEBI Regulations. Other than the Audit Committee, Shareholders Grievance Committee and Remuneration cum Compensation Committee constituted by the Company under the provisions of Companies Act, 1956 and Listing Agreement, your Company is additionally required to constitute Committees which are mandated by 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 SEBI:

Sr. No.	Name of the Committee
1	Advisory Committee
2	Defaulters Committee
3	Clearing and Settlement Oversight Committee
4	Member Regulation Oversight Committee
5	Disciplinary Action Committee
6	Ethics Committee
7	Executive Committee – Currency Derivatives Segment
8	Executive Committee – Capital Market Segment
9	Executive Committee – Futures and Options Segment
10	Investors Service Committee
11	Risk Management Committee
12	Membership Selection Committee
13	Grievance Redressal Committee
14	Standing Committee on Technology
15	Committee to monitor compliance with SEBI inspection report
16	Management Committee
17	Investment Committee
18	Public Interest Directors Committee

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.mcx-sx.com under the section MCX-SX CCL.

The Board Members and the Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis. The necessary declaration by the Managing Director & Chief Executive Officer under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct has been obtained for the financial year 2012-13 and forms part of the Annual Report.

VII. General Body Meetings

A. 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
June 18, 2010	11.00 A.M.	AGM (FY- 2009-2010)	Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai - 400093	No special business was conducted
December 15, 2010	4.00 P.M.	EGM	Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai - 400093	Alteration of Memorandum of Association
August 04, 2011	11.00 A.M.	AGM (FY- 2010-2011)	Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai - 400093	No special business was conducted
September 25, 2012	11.00 A.M.	AGM (FY- 2011-2012)	Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai - 400093	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	Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (East), Mumbai - 400093	Alteration of the Articles of Association.

B. Postal Ballot

Section 192A of the companies Act, 1956 relating to postal ballot is not applicable to the Company and 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 Stock Exchanges, SEBI or any statutory authority, on any matter related to the capital markets during the last three years: Nil.

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

The Company has adopted a Code for 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. CEO/CFO certification

The certification received under clause 49 of the Listing Agreement from Mr. U. Venkataraman, MD and CEO and Mr. Partha Sarathi Sen, - Senior Manager - Finance and Accounts on the financial statements of the Company for the year ended March 31, 2013 is annexed to this report.

G. Auditors' certificate on Corporate Governance

The Auditors' Certificate regarding the compliance of conditions of Corporate Governance under clause 49 of the listing agreement is annexed to the Directors Report.

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 listed company are mutatis mutandis applicable to a recognized clearing corporation.

SEBI had vide its letter dated April 3, 2013 granted in-principle 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 redesignated as Compensation Committee by the Board at its meeting held on September 7, 2012. The Committee has been further redesignated as Remuneration cum Compensation Committee on July 25, 2013 to comply with the SECC Regulations read with SEBI circular dated December 13, 2012 as well as Companies Act, 1956.
- 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:

SEBI had vide its letter dated April 3, 2013 granted in-principle 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 listed company are mutatis mutandis applicable to a recognized clearing corporation.

In view of the same, the Company will be publishing the quarterly results from the next financial year i.e. FY- 2013-14. The results will be published in one English newspaper having circulation in the whole or substantially the whole of India and in one Marathi newspaper.

The Company is voluntarily complying with the corporate governance norms, the website of the Company is under development and hence currently information/ updates are posted under section MCX-SX CCL on the website of the MCX Stock Exchange Limited, parent company. The updation of shareholding pattern, Clause 49 Certificate and Annual Reports etc. is being adhered from quarter ended March 31, 2013.

In view of in principle recognition received from SEBI vide its letter dated April 3, 2013, the Company will post significant events from next financial year under the section MCX-SX CCL on the website of the MCX Stock Exchange Limited, parent Company www.mcx-sx.com.

IX. General Shareholder Information

Date	Time
Annual General Meeting (F.Y. 2012-13)	September 20, 2013 at 4 p.m. at Exchange Square, CTS No. 255, Suren Road, Andheri (E), Mumbai – 400 093.
Financial year	April 01, 2012- March 31, 2013
Book Closure date	Not Applicable
Dividend payment date	Not Applicable
Mode of payment of dividend	Not Applicable
Listing on Stock Exchanges	Your Company is not listed.
Stock Market Code	Not Applicable
Name and designation of compliance officer	Mr. Ameya Paranjape- Company Secretary-Senior Manager
Registrars & Transfer Agents	Karvy Computershare Private Limited Plot No. 17-24, Vittalrao Nagar, Madhapur,Hyderabad – 500 081.
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
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	You Company do not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments
The Company's operations are located at	Exchange Square,CTS No. 255,Suren Road, Chakala, Andheri (East),Mumbai -400 093. India.
Address for Correspondence	Registered Office: Mr. Ameya Paranjape, Company Secretary and Compliance Officer MCX SX Clearing Corporation Limited Exchange Square, CTS No. 255, Chakala, Suren Road, Andheri (East), Mumbai - 400 093. India. Tel: 67319000 Website: www.mcx-sx.com
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. MCX-SX. Therefore this section is not applicable.

Dematerialisation of Shares

The shares of the Company are under dematerialised (electronic) form as required

under SECC regulations except for four equity shares of ₹10 each which are held by individuals as nominees of promoters of the Company. The securities of the Company are admitted for dematerialisation with both the depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

ISIN of the Company's equity shares is INE831N01013.

As on March 31, 2013, 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, 2013)

i. Distribution of Shareholding

Sr. No.	Category	Shareholders		Shares held	
		No. of holders	% of Total	No. of Shares	% of Total
1	up to 5,000	-	-	-	-
2	5,001 - 10,000	-	-	-	-
3	10,001 - 20,000	-	-	-	-
4	20,001 - 30,000	-	-	-	-
5	30,001 - 40,000	-	-	-	-
6	40,001 - 50,000	-	-	-	-
7	50,001 - 100,000	-	-	-	-
8	100,001 & above	3	100	25,000,000	100
	Total	3	100	25,000,000	100

ii. Shareholding Pattern

Sr. No.	Category	No. of Shareholders	No. of Shares held	% of Shareholding
(A)	Promoter and Promoter Group			
1.	Indian			
(a)	Bodies Corporate	3	25,000,000	100
	Sub-Total A(1)	3	25,000,000	100
2.	Foreign	0	0	0.00
	Sub-Total A(2)	0	0	0.00
	Total A=A(1)+A(2)	3	25,000,000	100
(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	0	0	0.00
(b)	Individuals	0	0	0.00
(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)	0	0	0.00
	Total B=B(1)+B(2)	0	0	0.00
	Total (A+B)	3	2,50,00,000	100

Note: The above figures include holdings of four nominee shareholders of the above shareholders who hold one share each as allowed u/s 49(3) of the Companies Act, 1956.

Auditors Certificate on Corporate Governance

TO THE MEMBERS,
MCX-SX CLEARING CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by MCX- SX Clearing Corporation Limited ('the Company') for the year ended on 31st March, 2013, as stipulated in regulation 35 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 read with Clause 49 of the Listing Agreement, to the extent applicable to the Company.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, read with note (VIII) -H of the Corporate Governance Report, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement, to the extent applicable to the Company.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117364W)

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai, July 25, 2013

Management Discussion and Analysis

Economic overview

The developments over the last year in the major economies of the world have been pessimistic and lackluster. The predominant reason for subdued growth in the advanced economies remains the sovereign debt crisis that started in the peripheral economies of the US and the European Union. The policy and procedural reforms in areas such as retail, insurance, agriculture, banking, capital markets and commodity markets should continue for these sectors to remain attractive. Further liberalization of policies and regulations would aid in the improvement of the market sentiment, thereby strengthening the growth prospects of the economy.

Industry Structure and Developments

The Indian stock exchange industry has a very long history and more than a decade of electronic trading. The past years witnessed an important milestone in this history when MCX Stock Exchange Limited, parent Company became the third stock exchange with nationwide electronic presence to enter the equity and equity derivative space. Accordingly your Company commenced clearing and settlement of trades carried out on MCX Stock Exchange Limited.

Your Company, received authorization from RBI under Section 10 of Foreign Exchange Management Act, 1999 on August 3, 2012 to undertake activities relating to clearing and settlement of currency options contracts. It had commenced clearing and settlement of currency options contracts dealt on MCX-SX from August 10, 2012. MCX-SX received permission from SEBI to commence trading in Interest Rate Derivatives, Equity, Futures & Options on Equity and Whole-sale Debt segments on December 19, 2012. Accordingly MCX-SX commenced its operations in the Capital Market and Futures & Options on Equity from February 11, 2013. Your Company has carried out the clearing and settlement of the above trades executed on MCX-SX. Further pursuant to approval received from SEBI MCX-SX has commenced trading in Index future and options on SX 40, flagship Index of MCX-SX w.e.f. May 15, 2013. Your Company has carried out clearing and settlement of the above trades.

The company currently clears and settles the deals entered in the Capital Market, Futures & Options, Currency Derivatives and Debt Market Segments of MCX-SX.

During the year under review, SEBI had notified the SECC Regulations and issued a circular laying down the procedural norms, laying down many more regulatory requirements for stock exchanges and clearing corporations.

Opportunities and Outlook

With strong innate economic fundamentals, India continues to be the highly attractive destination for investments globally. Existing products and asset classes would continue to evince interest, it is expected that there would be attraction towards the new asset classes as

well. New products and services, technological innovation, robust risk management system and strong regulatory framework would continue to be the key drivers for the securities market.

Risks and Concerns

While the fundamentals of the Indian economy remain headstrong, the domestic capital market and especially the inflow of foreign funds are to a large extent susceptible to the developments in the global economy. Also, the sovereign debt crisis that started in the peripheral economies of the US and the European Union post the sign of initial improvement could have adverse impact on the Indian Capital Market. However, with key policy changes and domestic growth expectations within the country these risks would be largely mitigated.

Business Risks

The Risk Management Committee of the Company had approved a "Risk Management Framework" for Clearing and Settlement Operations carried out by the Company in the Currency Derivatives Segment, Capital Market, Futures and Options Segment and Debt Market after identifying the risks and taking adequate measures to cover these risks as and when they materialize.

Operational Risks

Clearing Corporation operates a highly automated system for clearing, settlement and risk management activities thereby minimizing chances of manual intervention and associated risks. Maker checker controls are implemented in operational activities like collateral management wherein manual intervention is unavoidable. Various operational risks are reviewed as part of the business impact analysis and appropriate controls are implemented to ensure seamless operations.

Opportunities and Threats

SEBI has been deliberating regarding feasibility of interoperability of Clearing Corporations and introduction of a single clearing corporation. Though MCX-SXCCL has better capabilities for managing risks efficiently for Exchange traded markets, its shorter tenure of operations and the current dominating position of the competing clearing corporation may have an adverse impact for MCX-SXCCL if interoperability is introduced in the near future.

Segment wise Performance

The Company operates only in the business of clearing and settlement services of trades carried out at MCX Stock Exchange Limited within India. Consequently there are no reportable business or geographical segments.

Internal Audit & Control System and their Adequacy

The Company believes in formulating adequate and effective internal control systems and implementing the same to ensure that its assets and interests are safeguarded. The reliability of accounting data and its accuracy are ensured with proper checks and balances. The Company has internal auditors to examine and evaluate the adequacy and effectiveness of internal control systems. The internal audits ensure that the systems designed and implemented, provide adequate internal control commensurate with the size and operations of the Company. The Audit Committee of the Board, Statutory Auditors and the Risk Management Committee periodically apprised of the internal audit activities and findings. The Audit Committee of the Company comprising of non-executive/shareholder and Public Interest Directors periodically reviews and recommends the audited financial statements of the Company on quarterly as well as annual basis. The statutory auditors, M/s. Delloite Haskins & Sells, Chartered Accountants, Mumbai have audited the Company's financial statements under the Indian GAAP and have conducted such tests and related procedures as they deemed necessary. The report of the statutory auditors based upon their audit of the Company's financial statements, is contained in this Annual Report.

Financial Performance with respect to Operational Performance

Discussion on financial performance w.r.t operational performance-

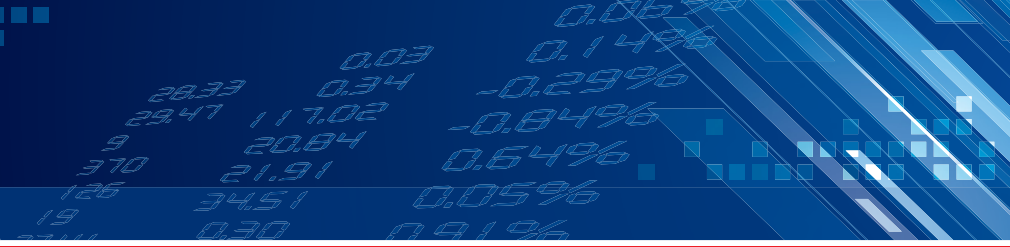
Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012 (Amount in ₹)
Total Income	200,977,306	165,677,071
Less: Expenditure	199,991,755	158,814,625
Profit Before Tax	9,85,551	68,62,446
Less: Provision For Tax	-	-
Profit After Tax	9,85,551	6,862,446

During the year under review, the Company has registered a total income of ₹200,977,306 as against ₹165,677,071/- in the previous year. The profit after tax for the year under review is ₹9,85,551 as compared to ₹6,862,446/-for the previous year.

The drop in profit compared to previous year is mainly due to setup cost incurred by the Company for two new segments i.e. capital market and derivatives.

Material developments in Human Resources

In light of the launch of Capital Market, F&O and Debt Market Segments by the MCX Stock Exchange, the Company has started clearing and settlement of the trades executed in the above segments. Accordingly, the Company has made substantial expansion in terms of Human Capital especially in the Operations department. Our headcount as at March 31, 2013 stood at 36 as against 10 as on March 31, 2012. The attrition rate stood at 11% as on March 31, 2013.



Cautionary Statement

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 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.

Compliance with the Code of Conduct

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

U. Venkataraman

Managing Director & CEO

Date: May 9, 2013

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

(Issued in accordance with the provisions of regulation 35 of SECC regulations read with Clause 49 of the Listing Agreement)

To the Board of Directors of MCX-SX Clearing Corporation Limited

Dear Sirs,

We have reviewed the financial statements and cash flow statement of MCX-SX Clearing Corporation Limited for the financial year ended March 31, 2013 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,

U. Venkataraman
Managing Director & CEO

Partha Sarathi Sen
Senior Manager- Finance and Accounts

Date: May 9, 2013

Independent Auditors' Report

TO THE MEMBERS OF
MCX-SX CLEARING CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MCX-SX Clearing Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
2. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
3. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - e. On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117364W)

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai – May 9, 2013

Annexure to the Independent Auditor's report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. Having regard to the nature of the Company's business/activities/results during the year, clauses (ii), (iii), (v), (vi), (viii), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to Company.
- ii. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and sale of services. The Company being a service Company does not purchase inventory or sell goods. During the course of our audit, we have not observed any major weakness in the internal control system.
- iv. In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Management has been commensurate with the size of the Company and the nature of its business.
- v. According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

Opinion

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:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
2. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
3. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.



- e. On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117364W)

Abhijit A. Damle
Partner
Membership No: 102912

Mumbai – May 9, 2013

Balance Sheet as at March 31, 2013

	Note No	As at March 31, 2013		As at March 31, 2012	
		₹	₹	₹	₹
A Equity and Liabilities					
Shareholder's Funds					
Share Capital	2	250,000,000		250,000,000	
Reserves and Surplus	3	30,643,813	280,643,813	29,658,262	279,658,262
Non-Current Liabilities					
Other Long-Term Liabilities	6	371,000,000		55,000,000	
Long Term Provisions	4	1,133,617	372,133,617	418,284	55,418,284
Current Liabilities					
Trade Payables	5	37,197,290		7,857,122	
Other Current Liabilities	6	973,852,687		503,358,463	
Short Term Provisions	4	74,419	1,011,124,396	138,892	511,354,477
TOTAL			1,663,901,826		846,431,023
B Assets					
Non-Current Assets					
Fixed Assets	7				
Tangible Assets		2,948,891		887,183	
Intangible Assets		51,680		76,319	
Long Term Loans and Advances	10	38,052,223	41,052,794	28,024,994	28,988,496
Current Assets					
Current Investments	8	655,199,870		40,509,918	
Cash and Bank Balances	9	918,105,375		733,893,688	
Short-Term Loans and Advances	10	17,181,005		9,959,434	
Other Current Assets	11	32,362,782	1,622,849,032	33,079,487	817,442,527
TOTAL			1,663,901,826		846,431,023
See accompanying notes to the financial statements					

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117364W)

Abhijit A.Damle
Partner
Membership No: 102912

Place : Mumbai
Date : May 09, 2013

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

Joseph Massey
Director

U.Venkataraman
MD & CEO

Ameya Paranjape
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2013

		As at March 31, 2013	As at March 31, 2013
	Note No	₹	₹
A Revenue			
Revenue from Operations	12	168,652,853	142,252,738
Other Income	13	32,324,453	23,424,333
Total		200,977,306	165,677,071
B Expenses			
Employee Benefits Expense	14	19,486,950	11,708,826
Depreciation & Amortisation Expense	7	319,500	208,077
Other Expenses	15	180,185,305	146,897,722
Total		199,991,755	158,814,625
Profit for the year		985,551	6,862,446
Earnings Per Share	16		
Basic / Diluted		0.04	0.27
Face Value Per Share		10/-	10/-
See accompanying notes to the financial statements			

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117364W)

Abhijit A.Damle
Partner
Membership No: 102912

Place : Mumbai
Date : May 09, 2013

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

Joseph Massey
Director

U.Venkataraman
MD & CEO

Ameya Paranjape
Company Secretary

Cash Flow Statement

for the year ended March 31, 2013

	For the year ended March 31, 2013		For the year ended March 31, 2012	
	₹	₹	₹	₹
A Cash Flow from Operating Activities				
Net Profit Before Tax		985,551		6,862,446
Adjustments for				
Depreciation/Amortisation	319,500		208,077	
Dividend from Current Investments	(1,534,799)		(1,786,705)	
Interest Income	(30,057,527)		(19,303,356)	
Profit on Sale of Current Investment (Net)	(254)		(160,383)	
Loss on Sale of Fixed Asset	12,317		-	
		(31,260,763)		(21,042,367)
Operating loss before working capital changes		(30,275,212)		(14,179,921)
Working Capital Changes				
(Increase) in Loans and Advances	(7,202,650)		(9,978,873)	
(Increase) in Fixed Deposits	(127,249,500)		(347,294,407)	
Increase in Liabilities and Provision	787,145,084		109,355,336	
Increase in Trade Payables	29,340,168	682,033,102	7,135,639	(240,782,305)
Cash generated from/(used in) Operating Activities		651,757,890		(254,962,226)
Taxes (paid)		(10,046,150)		(608,444)
Net Cash generated from/(used in) Operating Activities		641,711,740		(255,570,670)
B Cash flow from Investing Activities				
(Purchase)/Sale of Current Investments (Net)		(614,689,698)		238,903,799
Purchase of Fixed Assets		(2,747,245)		(143,905)
Proceeds from Sale of Fixed Assets		378,359		-
Dividend Income		1,534,799		1,786,705
Interest Income		30,774,232		(252,558)
Net Cash (used in)/generated from Investing Activities		(584,749,553)		240,294,041
Net Increase / (Decrease) in Cash and Cash Equivalents		56,962,187		(15,276,629)
Cash and Cash Equivalents at the beginning of the year		8,893,688		24,170,317
Cash and Cash Equivalents at the end of the year (Refer Note 9)		65,855,875		8,893,688
Net Increase / (Decrease) in Cash and Cash Equivalents as disclosed above		56,962,187		(15,276,629)

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117364W)

Abhijit A.Damle
Partner
Membership No: 102912

Place : Mumbai
Date : May 09, 2013

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

Joseph Massey
Director

U.Venkataraman
MD & CEO

Ameya Paranjape
Company Secretary

Notes forming part of Financial Statements

1. Significant Accounting Policies

A. Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with generally accepted accounting principles in India (Indian GAAP) and as per the provisions of the Companies Act, 1956.

B. 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.

C. Revenue Recognition

- Revenue is recognized when no significant uncertainty as to measurement and realization exists.
- Dividend income is recognized when the Company's right to receive dividend is established.
- Interest income is recognized on time proportion basis.
- Clearing and Settlement fees are recognized in accordance with the terms of Agreement with MCX- SX

D. Employee Benefits

Employee benefits costs are expensed to revenue, as incurred.

Provident Fund and Family Pension Fund, defined contribution plans: 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.

Gratuity, a defined benefit plan: 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: Provision is made to based upon actuarial valuation done at the end of every financial year.

E. Fixed assets and depreciation/amortisation

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. Depreciation is charged over the estimated useful life of a fixed asset on a straight line basis in accordance with the rates prescribed in Schedule XIV to the Companies Act, 1956.

Intangible Assets are stated at cost less accumulated amortisation and impairment loss, if any. Computer Software is amortised over a period of five years.

Assets individually costing ₹5,000 or less are fully depreciated in the year of purchase/acquisition.

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

F. 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.

G. Investments

Current investments are stated at the lower of cost and fair value. Long Term investments are stated at cost. Provision is made to recognize a decline, other than temporary, in the value of Long Term investments. Any reduction in the carrying amount of investments and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

H. Income tax

Current tax is measured at the amount expected to be paid to taxation authorities, using the applicable tax rates and tax laws. The tax effect of the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations. The carrying amount of deferred tax asset at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

I. Provisions and Contingencies

Provisions are recognized when the Company has a legal and constructive obligation because of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

2. Share Capital

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
Authorised				
25,000,000 equity shares of ₹10/- each		250,000,000		250,000,000
Issued and Subscribed				
25,000,000 equity shares of ₹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 31.03.2013		As at 31.03.2012	
	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 are having face value of ₹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.

3. Reserves and Surplus

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
Surplus in Statement of Profit and Loss				
Balance as per last Balance Sheet	29,658,262		22,795,816	
Add : Profit for the year	985,551	30,643,813	6,862,446	29,658,262
TOTAL		30,643,813		29,658,262

4. Provisions

	As at 31.03.2013		As at 31.03.2012	
	Current ₹	Non current ₹	Current ₹	Non current ₹
For Employee Benefits				
Compensated Absences	74,419	1,133,617	138,892	418,284
TOTAL	74,419	1,133,617	138,892	418,284

5. Trade Payables

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
Total outstanding dues of creditors other than micro enterprises and small enterprises		37,197,290		7,857,122
TOTAL		37,197,290		7,857,122
5.1 There are no dues to Micro, Small 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 31.03.2013		As at 31.03.2012	
	Current ₹	Non current ₹	Current ₹	Non current ₹
Settlement Banks Deposits	-	290,000,000	-	30,000,000
Members Margin and Deposits	963,844,802	-	498,443,340	-
Other Deposits	40,548	6,000,000	-	-
MCX-SX Contribution to Settlement Guarantee Fund	-	75,000,000	-	25,000,000
Other Payables				
For Expenses	1,605,271	-	727,890	-
For Gratuity (Refer Note 18)	979,699	-	-	-
For Statutory Dues	7,382,367	-	4,187,233	-
TOTAL	973,852,687	371,000,000	503,358,463	55,000,000

7. Fixed Assets

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2012 ₹	Additions ₹	Deletions ₹	As at 31.03.2013 ₹	Upto 31.03.2012 ₹	For the year ₹	Deletions ₹	Upto 31.03.2013 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Office Equipments	13,500	248,648	-	262,148	1,342	1,509	-	2,851	259,297	12,158
Computer Hardware	1,261,028	2,498,597	424,791	3,334,834	386,003	293,352	34,115	645,240	2,689,594	875,025
TOTAL	1,274,528	2,747,245	424,791	3,596,982	387,345	294,861	34,115	648,091	2,948,891	887,183
Previous year	1,132,344	143,905	1,721	1,274,528	205,628	183,438	1,721	387,345	887,183	

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2012 ₹	Additions ₹	Deletions ₹	As at 31.03.2013 ₹	Upto 31.03.2012 ₹	For the year ₹	Deletions ₹	Upto 31.03.2013 ₹	As at 31.03.2013 ₹	As at 31.03.2012 ₹
Computer Software	123,195	-	-	123,195	46,876	24,639	-	71,515	51,680	76,319
TOTAL	123,195	-	-	123,195	46,876	24,639	-	71,515	51,680	76,319
Previous year	123,195	-	-	123,195	22,237	24,639	-	46,876	76,319	

8. Current Investments

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
In units of Mutual Funds (Quoted, Non Trade): (at lower of cost and market value)				
60,042.141 (Previous Year NIL) of ₹1,000/- each in Axis Liquid Fund Daily Dividend Reinvestment Plan		60,048,787		-
1,138,596.650 (Previous Year NIL) of ₹100/- each in DWS Insta Cash Plus Fund Daily Dividend Reinvestment Plan		114,205,798		-
7,840,186.447 (Previous Year NIL) of ₹10/- each in JPMorgan India Liquid Fund Daily Dividend Reinvestment Plan		78,463,802		-
74,982.589 (Previous Year NIL) of ₹1,000/- each in Morgan Stanley Liquid Fund Daily Dividend Reinvestment Plan		75,019,863		-
20,427.157 (Previous Year NIL) of ₹1,000/- each in Reliance Liquid Fund Daily Dividend Reinvestment Plan		31,227,815		-
220,458.130 (Previous Year NIL) of ₹1,000/- each in SBI Premier Liquid Fund Daily Dividend Reinvestment Plan		221,174,619		-
7,429,763.529 (Previous Year NIL) of ₹10/- each in Sundaram Money Fund Daily Dividend Reinvestment Plan		75,059,186		-
NIL (Previous Year 40,478.146) of ₹1,000/- each in Religare Liquid Fund Daily Dividend Reinvestment Plan		-		40,509,918
TOTAL		655,199,870		40,509,918
Aggregate Book Value / Aggregate Market Value		655,199,870		40,509,918

9. Cash and Bank Balances

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
Cash and Cash Equivalents				
Cash on hand	9,504		15,204	
Balances with Banks:				
- In Current Accounts	23,846,371		8,878,484	
- In Deposit Accounts	42,000,000	65,855,875	-	8,893,688
Other Bank Balances				
- Fixed Deposit with original maturity for more than 3 months but less than 12 months	-		550,000,000	
- Fixed Deposit with original maturity for more than 12 months	852,249,500	852,249,500	175,000,000	725,000,000
9.1 Balance in Current Account includes ₹21,043,281/- (Previous Year ₹8,010,695/-) towards Clearing and Settlement Obligation				
9.2 Fixed deposits aggregating ₹75,000,000/- (Previous Year ₹25,000,000/-) earmarked towards Settlement Guarantee Fund.				
9.3 Fixed Deposits under lien with a Bank for Bank Guarantee- ₹250,000,000/- (Previous Year ₹250,000,000/-)				
TOTAL		918,105,375		733,893,688

10. Loans and Advances (Unsecured and considered good)

	As at 31.03.2013		As at 31.03.2012	
	Current	Non current	Current	Non current
	₹	₹	₹	₹
Advance Payment of Income Tax	-	38,051,705	-	28,005,555
Input VAT Credit	-	518	-	19,439
Service Tax Input Credit	14,158,633	-	7,820,923	-
Prepaid Expenses	1,155,852	-	1,222,277	-
Advances to Vendors	329,901	-	371,512	-
Deposits	1,503,000	-	543,852	-
Others Receivables	33,619	-	870	-
TOTAL	17,181,005	38,052,223	9,959,434	28,024,994

11. Other Current Assets

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
Accrued Interest on Bank Deposits		32,362,782		33,079,487
TOTAL		32,362,782		33,079,487

12. Revenue from operations

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
Sale of Services				
Clearing and Settlement Fees		107,711,777		94,315,706
Other Operating Revenues				
Interest on Deposits with Banks		43,704,572		27,814,961
Dividend from Current Investments		17,236,504		20,122,071
TOTAL		168,652,853		142,252,738

13. Other Income

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
Interest on Deposits with Banks		30,057,527		19,303,356
Dividend from Current Investments		1,534,799		1,786,705
Profit on Sale of Current Investments (net)		254		160,383
Interest received on Income Tax Refund		731,873		842,773
Margin Non Compliance recovery		-		1,331,116
TOTAL		32,324,453		23,424,333

14. Employee Benefits Expense

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
Salaries and Bonus	18,799,876		11,225,064	
Contribution to Provident Fund	606,703		427,332	
Staff Welfare Expenses	80,371	19,486,950	56,430	11,708,826
TOTAL		19,486,950		11,708,826

15. Other Expenses

	As at 31.03.2013		As at 31.03.2012	
	₹	₹	₹	₹
Rent (Refer Note 19)		3,252,312		3,252,312
Shared Service Cost		1,800,593		1,801,773
Technology Cost		166,193,372		137,802,405
Audit Fees				
- Statutory Audit Fees	500,000		75,000	
- Other Services (Interim Audit)	200,000	700,000	150,000	225,000
Non-Compliance Charges		2,861,603		-
Insurance		751,098		402,106
Legal and Professional Charges		1,594,173		594,500
Directors Sitting Fees		470,000		200,000
Bank Charges		1,248,490		1,732,786
Loss on Sale of Fixed Asset		12,317		-
Miscellaneous Expenses		1,301,347		886,840
TOTAL		180,185,305		146,897,722

16. Earnings Per Share

	As at 31.03.2013		As at 31.03.2012	
Profit for the year attributable to equity shareholders (₹)		985,551		6,862,446
Weighted average number of Equity Shares outstanding during the year (Nos.)		25,000,000		25,000,000
Basic /Diluted Earnings per share (₹)		0.04		0.27
Nominal Value of Equity Share (₹)		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)

a. MCX Stock Exchange Limited (MCX-SX)

ii. Company having significant influence over the Company

a. Financial Technologies (India) Limited (FTIL)

b. Multi Commodity Exchange of India Limited (MCX)

B. Transactions with related parties

Sr. No.	Nature of transactions	Company whose Control Exists (MCX-SX)	Companies having Significant Influence (MCX)	Companies having Significant Influence (FTIL)
		₹	₹	₹
1.	Clearing and Settlement Fees	107,711,777 (94,315,706)	- (-)	- (-)
2.	Purchase of Fixed Assets	301,507 (134,450)	68,355 (-)	12,215 (9,454)
3.	Sale of Fixed Assets	353,173 (-)	22,471 (-)	- (-)
4.	Rent Paid	3,252,312 (3,252,312)	- (-)	- (-)
5.	Shared Service Cost	1,800,000 (1,800,000)	- (-)	593 (1,773)
6.	Software License Expenses	- (-)	- (-)	4,584 (-)
7.	Technology Cost	166,193,372 (137,802,406)	- (-)	- (-)
8.	Other Expenses	- (31,566)	- (6,996)	82,519 (22,910)
9.	Amount received for Settlement Guarantee Fund	50,000,000 (-)	- (-)	- (-)
10.	Payables (Balance at the end of the year)	36,432,134 (7,698,957)	- (-)	- (-)
11.	Bank Guarantee Given (Refer Note No 21)	250,000,000 (500,000,000)	- (-)	- (-)

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.
- 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.

	Current Year	Previous Year
	₹	₹
I. Reconciliation of defined benefit commitments		
Liability at the start of the year	597,770	283,665
Interest Cost	52,305	23,402
Current Service Cost	168,469	149,222
Liability transfer in	342,144	-
Benefits Paid	-	(240,288)
Actuarial loss on obligations	954,994	381,769
Liability at the end of the year	2,115,682	597,770
II. Reconciliation of Fair value of plan assets		
Fair value of plan assets at the start of the year	992,803	-
Expected return on plan assets	85,381	-
Contributions	49,383	969,932
Actuarial gain on plan assets	8,416	22,871
Fair value of plan assets at the end of the year	1,135,983	992,803
III. Amount recognized in the Balance Sheet		
Fair Value of Plan Assets at the end of the year	1,135,983	992,803
Present Value of Benefit obligation as at the end of the year	(2,115,682)	(597,770)
Net (Liability) / Assets recognized in the Balance Sheet	(979,699)	395,033
IV. Expense recognised in the Statement of Profit and Loss		
Current service cost	168,469	149,022
Interest cost	52,305	23,402
Expected return on plan assets	(85,381)	-
Net actuarial loss recognized	946,578	358,898
Expense recognised in the Statement of Profit and Loss	1,081,971	531,522
V. Composition of Fund		
Insurer Managed Funds (LIC)	100%	100%
VI. Actuarial Assumption		
Discount rate	8.00%	8.75%
Salary escalation	7.50%	7.50%
Mortality	LIC 1994-96 (Ultimate)	LIC 1994-96 (Ultimate)
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 upto 36 months with a renewal clause. Operating lease rentals debited to the Statement of Profit and Loss for the year is ₹3,252,312/- (Previous year ₹3,252,312/-)

20. Deferred Tax

	As at 31.03.2013	As at 31.03.2012
	₹	₹
Deferred Tax Assets / (Liabilities) (net):		
Difference in Written Down Value of Fixed Assets	(377,326)	(212,578)
Deferred Tax (Liability)	(377,326)	(212,578)
Provision for Compensated Absences	391,947	180,776
Carry Forward business losses and Depreciation	18,428,568	12,988,157
Deferred Tax Asset	18,820,515	13,168,993
Deferred Tax Asset Recognised	377,326	212,578

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 on a conservative basis.

21. The Company has obtained a Bank Guarantee of ₹500,000,000/- (Previous Year ₹500,000,000/-) in favour of MCX Stock Exchange Limited (holding company) from Punjab National Bank as a fall back measure with respect to return of cash deposits collected as margin money/security deposit from the banks who are the clearing members of the Company. The Company has deposited ₹250,000,000/- (Previous Year ₹200,000,000/-) as fixed deposit with the bank towards the guarantees issued by the said bank.

22. The Company has set up a Settlement Guarantee Fund, the details of which are provided hereunder. Besides this the risk management process includes an insurance coverage of `100,000,000/- (Previous Year `25,000,000/-)

Sr. No.	As on 31.03.2013	Total SGF	Exchange Contribution	Member Deposits					
				Cash Deposits*	Bank Guarantee	Fixed Deposit Receipts	Non Cash deposits	Govt. Securities	Other approved Securities
		₹	₹	₹	₹	₹	₹	₹	₹
1.	Equity Cash Market	571,512,478	25,000,000	344,862,464	95,550,000	106,100,000	-	-	14
2.	Equity Derivatives Segment	1,887,359,475	25,000,000	272,550,010	627,500,000	907,200,000	-	-	55,109,465
3.	Currency Derivative Segment	10,780,419,845	25,000,000	592,432,328	2,946,000,000	4,192,527,168	2,270,931,651	2,270,931,651	753,528,698
		13,239,291,798	75,000,000	1,209,844,802	3,669,050,000	5,205,827,168	2,270,931,651	2,270,931,651	808,638,177

* Includes an amount of ₹246,000,000/- lying in MCX-SX as a part of total SGF available in the eventuality of default / demand.

Sr. No.	As on 31.03.2013	Total SGF	Exchange Contribution	Member Deposits					
				Cash Deposits*	Bank Guarantee	Fixed Deposit Receipts	Non Cash deposits	Govt. Securities	Other approved Securities
		₹	₹	₹	₹	₹	₹	₹	₹
1.	Currency Derivative Segment	8,751,648,245	25,000,000	498,443,340	1,495,325,000	2,779,076,595	3,277,022,945	3,277,022,945	676,780,365

23. Segment Reporting

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

24. During the last quarter of the current year, substantial cost (including on technology) was incurred on commencement of two new service lines namely Equity Cash and Equity F&O impacting profitability for the year which would be fully operational from the next year.

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 **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117364W)

Abhijit A.Damle
Partner
Membership No: 102912

Place : Mumbai
Date : May 09, 2013

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

Joseph Massey
Director

U.Venkataraman
MD & CEO

Ameya Paranjape
Company Secretary



MCX-SX Clearing Corporation Limited
Exchange Square, CTS No. 255, Suren Road, Chakala, Andheri (E), Mumbai - 400 093

