

METROPOLITAN CLEARING CORPORATION OF INDIA LIMITED

(formerly known as MCX-SX Clearing Corporation Limited)

Office at: Vibgyor Towers, 4th floor, Opposite Trident Hotel, Plot No. C-62, Bandra Kurla Complex, Bandra East, Mumbai-400098

Website: <http://www.mclear.in>

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED AND NINE MONTHS ENDED DECEMBER 31, 2016

(INR in Lakh)

Particulars	For the Quarter Ended December 31, 2016	For the Quarter Ended September 30, 2016	For the Quarter Ended December 31, 2015	For the nine months ended December 31, 2016	For the nine months ended December 31, 2015	For the Year Ended March 31, 2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
(a) Income from Operations	18.25	13.19	177.10	58.89	790.79	904.32
(b) Other Operating Income	80.12	74.89	89.36	229.78	285.78	369.53
Total Income from operations	98.37	88.08	266.46	288.67	1,076.57	1,273.85
2 Expenses						
(a) Technology cost	120.11	121.58	278.26	283.32	842.62	1,056.76
(b) Employee benefits expense	57.27	51.14	55.12	154.40	177.63	217.21
(c) Depreciation and amortisation expense	0.44	0.45	2.79	1.74	9.46	11.30
(d) Other expenses	48.42	29.26	25.12	104.46	153.47	192.24
Total Expenses	226.24	202.44	361.29	543.93	1,183.18	1,477.50
3 Loss from Operations before Other Income (1-2)	(127.87)	(114.36)	(94.83)	(255.25)	(106.61)	(203.65)
4 Other Income	85.24	160.20	115.84	368.23	201.03	312.47
5 Net Profit / (Loss) for the period / year before exceptional items (3+4)	(42.63)	45.84	21.01	112.97	94.43	108.81
6 Exceptional Item	108.65	-	-	-	-	(34.51)
7 Profit / (Loss) for the year/period	66.02	45.84	21.01	112.97	94.43	74.31
8 Paid-up Equity Share Capital (Equity Shares of ` 10/- each.)	9,380	7,000	7,000	9,380	7,000	7,000
9 Reserves excluding Revaluation Reserves as per Balance						529.90
10 Earnings Per Share (EPS) (In Rupees) (Face Value of ` 10/- per share) (Not annualised)						
(a) Basic	0.22	0.07	0.03	0.22	0.20	0.15
(b) Diluted	0.22	0.07	0.03	0.22	0.20	0.15

Notes:

- 1 The above unaudited financial results of the Company for the quarter ended December 31, 2016 have been approved by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on February 10, 2016.
- 2 The Company operates only in the business of clearing and settlement services of deals executed on the Trading Platform of Metropolitan Stock Exchange of India Limited (MSEI) within India. Accordingly, the disclosures required in the terms Accounting Standard (AS) 17 on 'Segment Reporting' notified under Companies (Accounting Standards) Rules, 2006 (amended) are not applicable.
- 3 SEBI in its order dated March 19, 2014 stated that FTIL is not a 'fit and proper person' to acquire or hold any equity share or any instrument that provides for entitlement for equity shares or rights over equity shares at any future date, in a recognized stock exchange or clearing corporation, either directly or indirectly and directed them to divest equity shares held in MCCIL, directly or indirectly, within 90 days of the order. In the same order, SEBI also stated that FTIL and entities through whom it indirectly holds equity shares or any instrument entitling voting rights in MCCIL shall cease to be entitled to exercise voting rights in respect of those shares or instruments with immediate effect. The Securities Appellate Tribunal (SAT) has since its order dated July 09, 2014 upheld the decision of SEBI. SEBI had vide its letter dated September 29, 2014 directed the Company to comply with the shareholding requirements of SECC Regulations and SEBI's direction issued vide order dated March 19, 2014 with regard to entities which have been declared not 'fit and proper' person. Further the Company sent multiple letters to FTIL regarding divestment of their stake in the Company; in reply to these letters FTIL informed us that they are in search of the suitable buyer to acquire their stake in the Company.
- 4 Securities & Exchange Board of India had issued norms related to the computation and contribution to the Core Settlement Guarantee Fund (Core SGF) as part of the SEBI circular CIR/CMD/DRMNP/25/2014 dated August 27, 2014. Based on said guidelines clearing corporation and stock exchange are required to contribute at least 50% and 25% of the minimum required corpus (MRC) of the core SGF whereas up to 25% of the core SGF contribution can be collected from clearing members.

Accordingly, an amount of Rs. 41.65 crore was maintained as the Minimum Required Contribution (MRC) of Core SGF in Currency Derivatives Segment as on December 31, 2016 comprising of Rs. 20.83 crore contributed by the MCCIL, Rs. 10.41 crore contributed by MSEI and Rs. 10.41 crore (Rs. 1.72 crore in Cash & Rs. 8.69 crore as FD) contributed by the Clearing Members. Further, in accordance with the directions received from the SEBI, MCCIL had contributed an amount of Rs. 25 lakh each in Equity Derivative Segment, Equity Cash Market and Debt Market Segment as the minimum corpus of Core SGF with effect from February 2, 2015.
- 5 (a) The company has received an amount of Rs. 17.87 Crores on September 28, 2016 from MSEI as share application money. The Board passed circular resolution on October 9, 2016 and approved the allotment of 17,87,46,16 Equity Shares of Rs. 10/- each for cash at par aggregating to Rs. 17.87 Crores.
(b) The company has received an amount of Rs. 5.93 Crores on November 02, 2016 from MSEI as share application money. The Board passed circular resolution on November 2, 2016 and approved the allotment of 59,30,000 Equity Shares of Rs. 10/- each for cash at par aggregating to Rs. 5.93 Crores.
(c) Due to the infusion of capital, the paid up capital of the Company as on December 31, 2016 has increased to Rs. 93.80 Crore as against Rs. 70 Crores as on September 30, 2016.
- 6 During the period, MCCIL paid consolidated sum of Rs. 20.19 Crores at an discounted rate of 9% towards Software support charges for the period of six years from January 1, 2017 to December 31, 2022 being 50% of fixed cost payable for licence, usage and maintainance of DOME & CNS Software.
- 7 During the period, MCCIL have received Credit Note No. MSEI/CN 16-17/Tech/Nov/16/001 dated 25.11.2016 from MSEI amounting to Rs. 1.12 crore towards its share of fixed IT Support Charges for Currency Derivative Segment (CDS) for the year 2016-17, due to which there has been major reduction in IT Support charges for the quarter ended December 31, 2016. The same is disclosed as exceptional item in the quarter ended December 31, 2016.
- 8 MSEI & MCCIL have entered into new rent agreement executed on January 30, 2017 w.e.f. August 19, 2016. Due to this new rent agreement, MCCIL has received an invoice No. MSEI/Sales16-17/Tech/Jan/006 dated 11.01.2017 for arrears of rent from August 19, 2016 to December 31, 2016, of Rs. 0.12 Crore. The rent for the period from August 19, 2016 to September 30, 2016 pertaining to last quarter of Rs. 0.04 Crore. The same is disclosed as exceptional item in the quarter ended December 31, 2016.
- 9 For previous year (2015-16) figures have been re-grouped, re-arranged and re-classified wherever necessary, to make them comparable.

For and on behalf of the Board
Metropolitan Clearing Corporation of India Ltd.
(formerly known as MCX-SX Clearing Corporation Limited)

Place: Mumbai
Dated: February 10, 2017

sd/-
Alok Mittal
Director

sd/-
Balu Nair
Managing Director

sd/-
Krishna J. Wagle
Chief Financial Officer