



LETTER OF OFFER

For private circulation to the Eligible Equity Shareholders only

METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

(the Company was originally incorporated as a public limited company under the provisions of Companies Act, 1956 on August 14, 2008 as MCX Stock Exchange Limited. Subsequently, the name of the Company was changed to Metropolitan Stock Exchange of India Limited on March 20, 2015)

Registered and Corporate Office: Vibgyor Towers, 4th Floor, G Block C62, Bandra Kurla Complex, Bandra (E) Mumbai – 400098, Maharashtra, India

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Contact Person: Mr. Rathindra Das, Head-Legal & Company Secretary

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY

THE COMPANY IS OFFERING TO ELIGIBLE SHAREHOLDERS ON RIGHTS BASIS 159,25,90,703 EQUITY SHARES OF INR 1 (RUPEE ONE) PER EQUITY SHARE AT INR 1.30 (RUPEES ONE AND THIRTY PAISE INCLUDING A PREMIUM OF THIRTY PAISE) AGGREGATING TO INR 207,03,67,914 IN THE RATIO OF 1 (ONE) EQUITY SHARE FOR EVERY 2 (TWO) EQUITY SHARES (1:2) HELD ON THE RECORD DATE (I.E., SEPTEMBER 7, 2017) WITH OPTION TO RETAIN OVER SUBSCRIPTION, IF ANY.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and Eligible Shareholders should not invest any funds in this Offer unless they can afford to take the risk of losing any part or all of their investment. Eligible Shareholders are advised to read the document carefully before taking an investment decision relating to this Offer. Each Eligible Shareholder is advised to consult its advisor. For taking an investment decision, Eligible Shareholder must rely on their own examination of the Company and the issue including the risks involved

GENERAL DISCLAIMER

This document has been prepared and is being circulated to the Eligible Shareholders solely for providing information relevant for the Offer. You are not authorised to, and may not, (1) deliver this document to any other person; (2) reproduce this document in any manner whatsoever; or (3) release any information in relation to the Offer. Unless otherwise provided in this document, the information on the Company's website or any website directly or indirectly linked to the Company or any other information about the Company generally available does not, and should not be deemed to, form a part of this document, and Eligible Shareholders must only rely on information set out in this document.

REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited

Selenium Tower B, Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad – 500 032, India

Tel: +91-040-6716 2222

Email: msei.rights@karvy.com

OFFER SCHEDULE

OFFER OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	OFFER CLOSES ON
September 16, 2017	September 20, 2017	September 30, 2017

The Company reserves its right to change the terms of the Offer at its sole discretion without giving any reason or prior notice.

THIS LETTER OF OFFER IS DATED SEPTEMBER 8, 2017

NOTICE TO ELIGIBLE SHAREHOLDERS

The information contained in this document is, to the best knowledge and belief of the Company, true and accurate.

No person is authorised to give any information or make any representation not contained in this document.

In making a decision of participating in this Offer the Eligible Shareholders must rely on their own examination and nothing in this document should be construed as legal, tax, accounting, financial or investment advice.

All statements, other than statements of historical facts, included in this document, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business and growth), are forward-looking statements. Such statements can be identified by the use of terminology such as "will", "aim", "is likely to result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Such forward-looking statements involve known and unknown risks and uncertainties which along with various other factors, such as general economic conditions, increase in competition, changes in laws, changes in political and social conditions, could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future. You should not place undue reliance on such forward-looking statements, which speak only as at the date of this document. The Company assumes no responsibility to update any of the forward-looking statements contained in this document.

Certain information in this document, including information about the sector in which the Company operates, may be based on reports compiled by third parties. The Company has not independently verified any such information and the Company cannot offer any assurance as to the accuracy of such information.

Unless stated otherwise, the financial information used in this document is extracted from (a) our audited consolidated financial statements prepared in accordance with Indian GAAP and the Companies Act for the financial year ending March 31, 2017, and (b) reviewed standalone financial statements prepared in accordance with Indian GAAP and the Companies Act for the period commencing from April 1, 2017 up to June 30, 2017. Our fiscal year commences on April 1 and ends on March 31 of the next year.

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DEFINITIONS AND ABBREVIATIONS

Term	Description
“Metropolitan Stock Exchange of India Limited” or “MSE” or “the Company” or “our Company” or “Issuer” or “the Exchange” or “we” or “us” or “our”	means the Metropolitan Stock Exchange of India Limited, a public limited company incorporated under the provisions of the 1956 Act having corporate identification number “U65999MH2008PLC185856” and its registered office at Vibgyor Towers, 4th Floor, G Block C-62, Bandra Kurla Complex, Bandra (E) Mumbai – 400098, Maharashtra, India.

Company / Offer Related Terms

Term	Description
Articles	means the articles of association of the Company.
Board or Board of Directors	means the board of directors of the Company, which term shall include a committee of the board of directors.
Capital or Share Capital	means the share capital of the Company on a fully diluted basis.
Equity Share(s) or Share(s)	means the equity shares of the Company having a face value of INR 1 (INR ONE) each.
Eligible Shareholders	means the holder(s) of Equity Shares as on the Record Date.
Financial Year or Fiscal Year or FY	means a period of twelve months commencing from April 1 of a year and ending on March 31 of the following year, unless otherwise stated.
MCCIL	means Metropolitan Clearing Corporation of India Limited, a public limited company incorporated under the provisions of the 1956 Act having corporate identification number “U67120MH2008PLC188032” and its corporate office at Vibgyor Towers, 4th Floor, G Block, C-62, Bandra Kurla Complex, Bandra (E) Mumbai – 400098, Maharashtra, India.
MCX-SX KYC	means MCX-SX KYC Registration Agency Limited (“MCX-SX”), a public limited company incorporated under the provisions of the 1956 Act having corporate identification number “U65923MH2012PLC227604” and its office at Vibgyor Towers, 4th Floor, G Block C62, Bandra Kurla Complex, Bandra (E) Mumbai – 400098, Maharashtra, India.
Memorandum	means the memorandum of association of the Company.
Offer	means the offer of Offered Equity Shares to Eligible Shareholders on rights basis in the ratio of 1 (one) Offered Equity Share for every 2 (two) Equity Shares held on the record date, i.e., September 7, 2017.
Offer Opening Date	September 16, 2017.
Offer Closing Date	September 30, 2017.
Offer Price	INR 1.30 (Rupees One and Thirty paise including a premium of Thirty paise) per Equity Share
Offered Equity Shares	means the 159,25,90,703 (One Hundred and Fifty Nine Crores, Twenty five lakhs Ninety Thousand Seven Hundred and Three) Equity Shares being offered to the Eligible Shareholders as part of the Offer, and Offered Equity Share shall be construed accordingly.
Record Date	September 7, 2017.
Registered Office	means the registered office of the Company situated at Vibgyor Towers, 4th Floor, G Block C62, Bandra Kurla Complex, Bandra (E) Mumbai – 400098, Maharashtra, India.

Conventional / General Terms

Term	Description
1956 Act	means the Companies Act, 1956, as in force and not amended, modified or substituted by the 2013 Act.
2013 Act	means the Companies Act, 2013 (as notified from time to time) and includes the rules and regulations notified under it from time to time and any amendments or modifications thereto or any re-enactments thereof.
Charter Documents	means the Memorandum and Articles.
Companies Act	means the 2013 Act and the 1956 Act.
FEMA	means the Foreign Exchange Management Act, 1999, as amended from time to time and the regulations framed thereunder.
I.T Act	means the Income Tax Act, 1961 and subsequent amendments thereto.
Indian GAAP	means the Generally Acceptable Accounting Principles as applicable in India.
SCRA	means the Securities Contracts (Regulation) Act, 1956, and subsequent amendments thereto.
SECC Regulations	means the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulation, 2012, and subsequent amendments thereto.

Abbreviations

Term	Description
BSE	Bombay Stock Exchange
CCPs	Central Counter Parties
CCI	Competition Commission of India
COMPAT	Competition Appellate Tribunal
CTCL	Computer-to-Computer Link
ETFs	Exchange Traded Funds
FDI	Foreign Direct Investment
GBP	British Pound, being the lawful currency of the United Kingdom
Government/ GOI/ Central Government	The Government of India
HUF	Hindu Undivided Family
IEC	International Electrotechnical Commission
INR	Indian Rupees, being the lawful currency of Republic of India
IRF	Interest Rate Futures
ISO	International Organization for Standardization
IOSCO	International Organization of Securities Commission
JPY	Japanese Yen, being the lawful currency of Japan
KYC	Know Your Customer
NISM	National Institute of Securities Markets
NRI	Non-Resident Indian
NSE	National Stock Exchange
OTC	Over The Counter
PAN	Permanent Account Number
PID	Public Interest Director
QCCP	Qualified CCP
RBI	The Reserve Bank of India
RoC	The Registrar of Companies, Maharashtra at Mumbai located at 100, Everest, Marine Drive, Mumbai – 400002, Maharashtra, India
SEBI	Securities and Exchange Board of India
SMEs	Small and Medium Enterprises
USD	United States Dollars, being the lawful currency of the United States of America
VSAT	Very Small Aperture Terminals

SECTION I: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this document, including the risks and uncertainties described below, before making a decision to participate in the Offer. Please note that the risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, prospects, financial condition and results of operations and cash flows. If any or some combination of the risks described below, or other risks that are not currently known or believed to be material, actually occur, our business, financial condition and results of operations and cash flows could be adversely impacted.

The Company faces competition from existing and potential new players in the industry, which could adversely affect our business, operations and financial situation.

The Company operates in a very competitive environment and faces competition from BSE and NSE in its product segments. There could also be newer exchanges starting operations in these segments. MSE has a well differentiated market and product strategy to carve a niche and achieve profits. We face significant competition for listings, clearing, trading and settlement in its product segments. As a result of increased liberalization and globalization of the world capital markets, industry consolidation and an increasing number of traditional and non-traditional trading venues, we expect such competition to continue. We compete with national market participants in India, in a variety of ways, including the cost, quality and speed of trade execution, market liquidity, functionality, ease of use and performance of trading systems, the range of products and services offered to customers and listed companies, and technological innovation and reputation. Some of these competitors are also among our largest customers.

Increased competition from existing and potential competitors, such as the BSE and the NSE for equity-based products and currency products, could cause us to experience a decline in our share of listing, clearing, trading and settlement activity. Such a decline would translate into a decrease in associated transaction fees, clearing and settlement fees, our proportionate share of market data fees, net investment income, custody fees and other related revenue, which would materially adversely affect our financial conditions and results of operations. In addition, increased competition particularly in a highly regulated environment may exert a downward pressure on fees in order for us to remain competitive, which could materially adversely affect our business, financial condition and results of operations. We could lose a substantial percentage of our market share of trading or listings if we are unable to effectively compete on price, or our profit margins could decline if we reduce pricing in response to increased competition.

If we fail to compete successfully, our business, financial condition and results of operations may be materially adversely affected.

The Company is exposed to credit risks with respect to our clearing members.

We are subject to credit risk, liquidity risk, settlement risk and collateral risk in our clearing and settlement business. We guarantee the settlement of trades executed on the exchange through an independent and qualified clearing corporation, being MCCIL. As a result, MCCIL assumes the central counterparty risk for each trade cleared and incurs credit exposure to clearing participants. Clearing participants may encounter economic difficulties for a variety of reasons, which could result in default on settlement obligations. Besides settlement risk, we are also subject to liquidity risk when either a clearing member defaults or is delayed in fulfilling its obligations or when a clearing bank defaults or delays in facilitating the pay-out of funds. We are also subject to collateral risk, where we are either unable to access the collateral deposited in a timely manner or face extreme market conditions that result in a reduction in the liquidation value of the collateral compared to the obligation which the collateral secures. Although we attempt to minimize our exposure to such counterparty credit risks through rules and risk management measures, these measures may not be sufficient to detect problems and in certain circumstances, clearing participants might suffer difficulties that would impair their capacity to meet their financial performance obligations to MCCIL. If such impairment were to occur, our measures to offset counterparty default risk and our financial resources, including the Core Settlement Guarantee Fund, might not prove sufficient to protect us from any counterparty defaults or from the material adverse effects of such defaults. Our results of operations could therefore be further materially adversely affected by losses sustained as a result of participant defaults on settlement obligations. Our business operations are also affected by timely and efficient transfer of securities to and from the depositories, NSDL and CDSL.

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Risk in delay in implementation, or failure to implement, our growth strategies.

The Company is in an expansion phase and is targeting to acquire a major market share in focused segments. There may be a risk of execution of the expansion strategy, which could impact the projected increase in the turnover of the Company and thereby directly or indirectly impacting the projected revenues. There may also be a lag effect in the percolation of the benefits of implementations of such a strategy. Further, our growth strategies, which involve various facets of operations, financial planning, product launches, brand building, vendor management, could be impacted due to internal or external factors.

Annual zero based budgeting, break up of business plans into various timelines, effective management information system and delegation are steps taken by the Company to ensure that we meet our timelines of implementation.

Our operations are dependent on communications systems and technology platform. Any capacity constraints or failure that causes an interruption to our services or responsiveness could harm our reputation and business.

The exchange is well equipped to handle any unresponsiveness or interruption in trade execution, clearing or settlement due to power or telecommunications failure, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses/malwares, acts of vandalism or similar events.

We have an approved business continuity plan and a data disaster recovery plan in effect, to mitigate business interruptions from the aforesaid risks. We have improved latency and backup of our communication systems. Regular system audits are conducted for identifying risks and compliance. All necessary software and hardware upgradations are undertaken on time. Annual maintenance contracts are maintained for all critical communication functions and systems.

We operate in a highly regulated sector

We require a number of regulatory approvals for operation or growth of our business, and the failure to obtain the same in a timely manner or at all, may subject us to sanctions and penalties pursuant to inspection and supervision by regulatory authorities, including the SEBI, or otherwise adversely affect our operations.

We /our subsidiary, Metropolitan Clearing Corporation of India Limited (on whom we depend for clearing services) require a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of our business verticals. Further, our operations are subject to continued continuous review and the governing regulations may change. While we believe that we currently have or have applied for all material approvals required for our business/products, we may not have, or may not receive, all necessary approvals, or be able to obtain renewals of all our approvals within the time frames anticipated by us or may not obtain the same at all, which could adversely affect our business. Failure to obtain, renew or maintain any required approvals, permits or licenses or to meet any regulatory requirements may result in the interruption of all or some of our operations, constrain our ability to scale-up our business or to introduce new products and services and could materially and adversely affect our business and financial results.

Damage to our reputation could materially affect our business.

We operate in an industry where reputation and customer confidence (including that of issuers, financial intermediaries and investors) are extremely important. One of our competitive strengths is our strong reputation and brand name as one of the most recognizable stock exchanges in India. Due to the role that we perform in the Indian capital, derivatives and foreign exchange markets, errors in our transaction systems, interruptions in trading, operational errors, inadvertent leakages of confidential information relating to customers, court cases, press speculation or other unfavourable information could damage our brand and reputation. The actions of other entities in the exchange market, including issuers, financial intermediaries and competing trading platforms, acting contrary to accepted standards of conduct or market practice could undermine general confidence in the Indian markets and in our business. Finally, our members and employees may engage in fraud or other misconduct, and although we take precautions to prevent and detect this activity, such precautions may not be effective in all cases, which could result in sanctions or serious harm to our reputation.

We cannot guarantee that these issues will not occur, thereby resulting in market disruption, regulatory investigations and reputational damage. Damage to our reputation may cause some issuers not to list their securities on the exchange as well as steer investors to what they deem to be more reliable exchanges thereby reducing the trading volume on the exchange. As a result, such reputational damage or any litigation or investigations may affect our business, financial condition and results of operations.

SECTION II: COMPANY AND ITS BUSINESS**History and Background**

The Company was incorporated on August 14, 2008, under the 1956 Act under the name of MCX Stock Exchange Limited and obtained its certificate of commencement of business on August 19, 2008. The name of the Company was subsequently changed to Metropolitan Stock Exchange of India Limited on March 20, 2015, and was granted fresh certificate of incorporation by the RoC. We are a recognized stock exchange under Section 4 of the SCRA 1956 read with the SECC Regulations, 2012 and operate under the overall regulatory framework of the SEBI.

We are one of the three (3) stock exchanges having nationwide trading terminals in India, the others being BSE and NSE.

Key milestones since incorporation

- October 7, 2008 – Launch of trading in currency futures pursuant to SEBI approval received on September 18, 2008.
- December 19, 2012 – Grant of approval by SEBI to commence trading in interest rate derivatives, equity, futures & options on equity and debt segments, subject to certain conditions.
- December 21, 2012 – Notification of the Company as a recognized stock exchange.
- February 11, 2013 – Launch of our capital markets (cash equities) segment and futures & options (equity derivatives) segment.
- June 7, 2013 – Launch of our debt market segment. Trading commenced on June 10, 2013.
- January 20, 2014 – Commencement of trading in cash settled interest rates futures commenced on the currency derivative segment.

Awards and Accolades

- On September 26, 2013, the SX40, the 40-stock flagship index of our exchange, was conferred with the prestigious 'Golden Peacock Eco-Innovation Award' for the year 2013 for use of completely scientific and rule-based methods, along with incorporation of global best practices in index creation and computation, at the 'Future and Options World Awards for Asia 2013'.
- The Company was selected as the 'Stock Exchange of the Year – Asia' in the European Emerging Markets Awards 2014.
- September 2, 2017- "Emerging Currency Exchange of India" during the Annual Convention on Capital Market Vision-2020 organized by the PHD Chamber of Commerce and Industry

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Our Management

Board of Directors

The general supervision, direction and control of our affairs and business are vested with the Board. The following table sets forth current details regarding the Board:

S. No.	Name, Designation and DIN	Age	Director since	Details of other directorship
1.	Prof. (Mrs.) Ashima Goyal Chairperson and Public Interest Director DIN: 00233635	61	March 12, 2011	<ul style="list-style-type: none">• Care Ratings Limited• Cynergy Creators Private Limited• SBI Mutual Fund Trustee Company Private Limited• IDBI Bank Limited
2.	Mr. Dilip Gopal Patwardhan Public Interest Director DIN: 06914050	66	January 5, 2017	<ul style="list-style-type: none">• Garware Holdings Limited
3.	Mr. Dinesh Kumar Mehrotra Public Interest Director DIN: 00142711	66	January 5, 2017	<ul style="list-style-type: none">• Cams Insurance Repository Services Limited• Indian Energy Exchange Limited• Tata Steel Limited• UTI Asset Management Company Limited• V L S Finance Limited• Computer Age Management Services Private Limited• Tata Aia Life Insurance Company Limited• West End Housing Finance Limited
4.	Mr. Ajai Kumar Public Interest Director DIN: 02446976	64	April 5, 2017	<ul style="list-style-type: none">• Yes Bank Limited• Nuclear Power Corporation of India Limited
5.	Mr. Ketan Vikamsey Public Interest Director DIN: 00282877	62	April 5, 2017	<ul style="list-style-type: none">• HLB Offices And Services Private Limited• Barkat Properties Private Limited• Trunil Properties Private Limited
6.	Mr. Udai Kumar Managing Director & CEO DIN: 06750460	57	January 22, 2016	<ul style="list-style-type: none">• Metropolitan Clearing Corporation of India Limited• MCX-SX KYC Registration Agency Limited

Brief biography of our Directors

Name	Biography
Prof. (Mrs.) Ashima Goyal	<p>Prof. (Mrs.) Ashima Goyal, who holds a doctorate in economics, is a professor at Indira Gandhi Institute of Development Research, Mumbai. She is widely published in institutional and open economy macroeconomics, international finance and governance and has participated in research projects with ADB, DEA, GDN, RBI, UN ESCAP and WB. She is the editor of a Routledge journal in Macroeconomics and International Finance, has received many fellowships, national and international awards, is active in the Indian public debate, has served on several boards and policy committees, including as a member of the RBI Technical Advisory Committee for monetary policy, and contributes a monthly column to the Hindu Business Line. She has been a visiting fellow at the Economic Growth Centre, Yale University, USA, and a Fulbright Senior Research Fellow at Claremont Graduate University, USA. Prof. Goyal also serves as a Director on the Board of IDBI Bank Limited, Care Ratings Limited, Cynergy Creators Private Limited, SBI Mutual Fund Trustee Company Private Limited</p>
Mr. Dilip Gopal Patwardhan	<p>Mr Dilip G Patwardhan is MSc in Mathematics from Poona University. He was a National Science Talent Scholar and a rank holder at BSc and MSc. DFM (Bombay), DIM (IGNOU), Fellow of Indian Institute of Banking & Finance.</p> <p>He Joined Bank of India as a Probationary Officer in February 1974. He has banking experience of over 37 years. He worked at overseas branches for over 6 years. He has work experience in areas such as Technology, Risk management, Foreign Exchange. He served as the Executive Director, United Western Bank and then as General Manager & CFO in Bank of India. He also served as Chief General Manager (Vigilance) in SBI and then as Chief Executive of FEDAI for 5 years (June 2011 to June 2016). He has been a Member of Banking Commission of ICC, Paris since 1998 and has been resource person for IIBF for over two decades.</p>
Mr. Dinesh Kumar Mehrotra	<p>Mr. Mehrotra is an Honours Graduate in Science from the University of Patna. He is the former Chairman of Life Insurance Corporation of India (LIC).</p> <p>He joined LIC as a Direct Recruit Officer in 1977 and in an illustrious career spanning over 35 years, has occupied several pivotal positions in LIC spanning three Zones and the Corporate Office at Mumbai. Prior to taking charge as Managing Director of LIC, Mr. Mehrotra was posted as Executive Director (International Operations) to lead LIC's overseas trust.</p> <p>He has served on the Board of some of the well known Companies such as LIC Housing finance Limited ACC Limited, ITC Limited and Multi Commodity Exchange of India Limited.</p> <p>Presently, he serves as a Chairman of Indian Energy Exchange Ltd and Director on the Board of Computer Age Management Services Pvt. Ltd., Tata Steel Ltd, TATA AIA Life Insurance Company Ltd, West End Housing Finance Ltd, CAMS Insurance Repository Services Ltd and VLS Finance Ltd.</p>
Mr. Ajai Kumar	<p>Mr. Ajai Kumar is an M.Sc (Physics), L.L.B. , CAIIB and presently serves on the board of Yes Bank Limited as Non-Executive Non Independent Director. He also serves as Director of Nuclear Power Corporation of India Ltd; active in key note addresses and panel member in financial and technology seminars and conferences organized by RBI, ASSOCHAM, NIBM, ET and also Member for Top Management selection panel of PSU Banks. He has forty years of experience in Public Sector Banking Industry holding eminent leadership positions in India and overseas (New York, USA). With a penchant for independent thinking, painstakingly taken several path breaking initiatives for banking sector growth through varied strategies as CMD, Corporation Bank, Executive Director UCO Bank and General Manager , Technology and Retail Banking at Bank of Baroda.</p>
Mr. Ketan Vikamsey	<p>Mr. Vikamsey is a Member of the Institute of Chartered Accountants of India (ICAI) since 1990; he also has a Diploma in Information System Audit (DISA) of ICAI, Certification on IFRS held by ICAI, BSE certification on Derivatives Exchange held by the Stock Exchange, Mumbai and Certification on Internal Audit Studies held by the Bombay Chartered Accountants Society [BCAS], Mumbai. In 1990, he joined as partner at Khimji Kunverji & Co. and is in overall charge of the Audit Department. He heads the</p>

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Name	Biography
	Assurance Practice of the firm, having handled audits of large Corporates, Mutual Funds, Insurance Companies, Nationalised Banks, Foreign Banks, Due diligence, Regulatory Inspections & Investigations. He is also the Speaker/ Chairman at various seminars, meetings, lectures held by WIRC of ICAI, NIRC of ICAI, SIRC of ICAI, CIRC of ICAI, BCAS, Study Circles, [Ahmedabad, Nashik, Nagpur, Surat, Jalgaon, Navi Mumbai, Pune] branches of WIRC, Reserve Bank of India and Comptroller and Auditor General of India. He served as a Member, of Internal Auditing Standards Board of ICAI in 2011–2012, Professional Development Committee of WIRC of ICAI 2009–10, Expert Study Group of Committee on Insurance and Pension of ICAI, 2006–07 and Auditing and Assurance Standards Board of ICAI in 2004–2005 among many others. He serves as a Director of Atlantis Investment Advisors Private Limited, HLB Technologies (Mumbai) Private Limited and Miloni Consultants Private Limited
Mr. Udai Kumar	Mr. Udai Kumar holds a Masters in Business Administration (Financial Management) along with a post graduate degree in science. He has been part of Indian capital markets for last two decades. He has rich experience in stock exchange administration, capital markets, fund raising, restructuring and mergers & acquisition functions. He has served as managing director of MCCIL. Prior to that he served as Managing Director of Inter-connected Stock Exchange of India Limited (ISE).

Committees of the Board

The Company has constituted the following three (3) committees of the Board under the Companies Act, 2013:

- (a) Audit Committee,
- (b) Nomination and Remuneration-cum-Compensation Committee,
- (c) Stakeholder's Relationship Committee

Apart from the above and in accordance with the SECC Regulations, various other committees of the Board have also been constituted, such as the Disciplinary Action Committee, Defaulters Committee, Standing Committee on Technology, Executive Committee (CD Segment, CMS & F&O), Membership Committee, Oversight Committee, Investor Protection Fund Trust, Sub-Committee to monitor compliance with SEBI Inspection Report, Ethics Committee, Investor Service Committee, Committee of Public Interest Directors, Advisory Committee etc.

Senior Personnel

The table below lists our senior personnel:

S. No.	Name	Age	Designation	Date of Joining
1	Mr. Udai Kumar	57	MD & CEO	January 22, 2016
2	Mr. Abhijit Chakraborty	45	COO - Strategy & Development	December 7, 2015
				Chief Financial Officer (up to November 14, 2016) Chief Operating Officer- Strategy & Development (w.e.f November 15, 2016)
3	Mr. A. Sebastin	57	COO - Market Operations	November 19, 2008
4	Mr. Chetan Utture	46	Chief Financial Officer	October 13, 2016 Chief Financial Officer (w.e.f November 15, 2016)
5	Ms. Sridevi Pillalamarri	32	Compliance Officer	August 24, 2016
6	Mr. Devanshu Desai	36	Head-Technology	April 06, 2017
7	Ms. Sripriya Senthilkumar	48	Head - Membership	February 06, 2017
8	Mr. Anish Kumar	39	Assistant Vice President - Listing	April 01, 2009
9	Mr. Savio D'Souza	40	Head-Human Resources	April 21, 2017
10	Mr. Kundan Zamvar	41	Chief Information Security Officer	April 04, 2013

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Our Subsidiaries

Presently the Company has two (2) subsidiaries, namely:

- (a) **Metropolitan Clearing Corporation of India Limited (MCCIL)** – MCCIL, operates as a clearing house, which provides integrated clearing and settlement services to the clearing members of our exchange. MCCIL has been approved by the RBI as a clearing corporation for currency and debt transactions and is also recognized as a “Qualified Central Counterparty in Securities Market” by SEBI. The current authorised share capital of MCCIL is INR 150 crore (INR One Hundred Crores) divided into 15 crore (fifteen crore) equity shares of INR 10 (INR Ten) each

The current shareholding pattern of MCCIL is as set out below:

S. No.	Name of Shareholder	No. of Shares	Percentage of shareholding
1.	Metropolitan Stock Exchange of India Limited	87,770,991	87.75
2.	Multi Commodity Exchange of India Ltd	6,500,000	6.50
3.	Financial Technologies (India) Limited	5,750,000	5.75
	Total	100,020,991	100.00

- (b) **MCX-SX KYC Registration Agency Limited (MCX-SX KYC)** – MCX-SX KYC which is awaiting approvals and yet to commence operations will act as a KYC registration agency. The current authorised share capital of MCX-SX KYC is INR 5 Lakhs (INR Five Lakhs) divided into 50,000 (fifty thousand) equity shares of INR 10 (INR Ten) each. The entire shareholding of MCX-SX KYC is held by the Company.

About the Sector in which the Company Operates

Stock exchanges in India are primarily regulated by the Securities and Exchange Board of India (SEBI). The Indian stock exchange space spans many asset classes – equities, equity derivatives, currency derivatives, exchange traded funds, mutual funds, corporate and government bonds, interest rate derivatives, and commodity derivatives.

With a view to develop capital markets, aid development of various financial products and achieving geographical inclusion, SEBI has given licenses to three (3) national level stock exchanges in the country, being BSE, NSE and the Company. Apart from these, there are several regional stock exchanges and few commodity exchanges.

Along with the stock exchanges, other market infrastructure institutions comprise depositories and clearing corporations that conduct the function of holding the traded securities in dematerialized form and providing novation, settlement and guarantee, respectively.

The scope and breadth of stock exchanges is being increased gradually but surely. The regulator has allowed introduction of Cross Currency trading on exchange platforms. The final operative guidelines are expected soon. This move shall help expand the market and be an alternative to OTC cross currency deals. Further, option contracts in GBP-INR, EURO-INR and YEN-INR are also on the pipeline and may be introduced. SEBI has allowed FPIs and NRIs to directly trade in Currency pairs. These moves are likely to expand and deepen the exchange traded currency market in India.

SEBI has been introducing newer contracts in Interest Rate Futures to gradually build up the yield curve.

The Bond trading segment is receiving utmost importance from the government and the regulator. Introduction of Sovereign Gold Bonds and Savings Bonds, allowing FPIs to directly in Indian bonds, introduction of Liquidity Enhancement Schemes in Bond trading are steps in that direction. Last Union Budget had also allowed introduction of trading in Security Receipts issued by Asset Reconstruction companies. This is a promising new segment for stock exchanges.

Post the merger of the FMC (Forward Markets Commission) with SEBI, there is now a single regulator for commodities and stock exchange traded products. The regulator has also allowed single broker entity to be members of commodity and stock exchanges. These are estimated to be preparatory steps before Universal Exchange concept becomes a reality. Universal exchange status shall enable all exchanges to introduce products in all segments. While competition may increase, it shall also allow greater innovation and expansion of the markets.

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The development of the currency and interest rates derivatives market provides efficient, transparent and cost effective method of hedging against volatility in currencies for corporates, traders and financial institutions. A growing economy needs efficient method of capital access for SMEs and Startups. An exchange traded platform could provide significant benefits to that extent. Debt exposure for corporate and individuals is substantial. Therefore, an effective hedging and trading mechanism through IRFs and Corporate Bond trading, G-Sec trading holds much potential. The Reserve Bank of India is also promoting the Exchange traded Currency Derivatives (ETCD) market and relaxing earlier curbs. Banks have been permitted to have Open Interest of up to US\$1bn on each exchange and primary dealers have been allowed to participate in the ETCD segment. Cross currencies with extended market timing and option contracts on the same have also been allowed.

It is expected that the growth of Indian stock exchanges shall be led by product innovation in established segments, evolution of new financial products and acceptance of new products by market participants.

Business of the Company

Segments

The Company is a national level stock exchange with license to operate in equity, equity derivatives, currency derivatives and debt market. We have a live trading platform in all segments. Our subsidiary MCCIL provides clearing and settlement of all trades executed on our exchange platform.

We currently offer trading in the following segments:

- (a) **Currency Derivatives** – we offer currency futures in four (4) currency pairs, USD – INR, EURO – INR, GBP – INR and JPY – INR. In addition we also offer (i) European style call and put option contracts in the USD – INR pair, and (ii) interest rate futures on six (6), ten (10) and thirteen (13) years maturity contracts.

We have given below a snap shot of the Company's market statistics in currency futures & options:

Particulars	FY 2016 – 17	FY 2015 – 16
Total turnover (in INR crores)	297,928	324,575
Average daily turnover (in INR crores)	1,231	1,341
Highest daily turnover (in INR crores)	4,177	3,798
Total volume (number of contracts) during the period	44,056,412	48,858,281
Average daily volume (number of contracts)	182,051	201,894
Highest daily volume (number of contracts)	609,936	567,837

- (b) **Interest Rates Futures** – trading in cash settled interest rate futures commenced on the currency derivatives segment on January 20, 2014. The product witnessed an average daily turnover of INR 50.68 Crore (INR Fifty Crores Sixty Eight Lakhs) from the date of our incorporation up to July 31, 2017.

A snap shot of our interest rates derivatives segment statistics is provided below:

Particulars	FY 2016 – 17	FY 2015 – 16
Total turnover (in INR crore) during the period	2,549	22,814
Average daily turnover (in INR crore)	10.53	94.27
Highest daily turnover (in INR crore)	206.46	990
Total volume (number of contracts) during the period	125,173	1,123,413
Average daily volume (number of contracts)	517	4,642
Highest daily volume (number of contracts)	10,240	47,799

- (c) **Equity Cash and Equity Derivatives** – we launched our capital markets (cash equities) segment and futures & options (equity derivatives) segment with effect from February 11, 2013. As on March 31, 2017, we have 241 (two hundred and forty one) companies listed on our exchange and 1311 (one thousand three hundred and eleven) are available for trading under permitted to trade category. Out of the 241 (two hundred and forty one) companies listed on our exchange, 192 (one hundred and ninety two) are exclusively listed on our exchange and the others are listed on other nation-wide stock exchanges also. The total volume (i.e., the traded quantity on the exchange platform) in the equity cash segment was 14,471,558 shares and the total value traded was INR 248.08 crore (INR Two Hundred Forty Eight Crore Eight Lakhs) for FY 2016-17.

As on July 31, 2017, we have 244 (two hundred and forty four) companies listed on our exchange and 1304 (one thousand three hundred and four) companies under permitted to trade category. The exchange also has 50 (fifty) exchange traded funds (ETF) available for trading under permitted to trade category. Total volume i.e. traded quantity on the exchange platform during April 2017 to July 2017 in the equity cash segment was 13,105,506 shares and the total value traded was INR 156.22 crore (INR One Hundred FiftySix Crores Twenty Two Lakhs); and

- (d) **Debt Market Segments** – the debt market segment was launched on June 7, 2013, and trading in this segment commenced from June 10, 2013. We have a reporting platform also, in which participants who have entered into a deal on a debt instrument, may report the details of such deal so that the deal may be settled through the clearing corporation. The debt reporting platform has a unique feature viz. Request for Quotes (RFQ) which facilitates a participant to enter the details of one lag of a transaction (bid /ask) and request for quotes in respect of the other lag from the other participants, for entering into a trade.

Technology

The IT infrastructure at the Exchange has been designed with performance, reliability, redundancy and security as the key parameters. The Exchange has a world class suite of software which does trading, matching, indexing and risk management. The Exchange also has a faster post trade clearance system in place. The Software includes Risk Management System, which helps in real time margining, flat as well as SPAN margining, real time position updates, maintains margin/MTM limits, online suspension of members, member level online alerts based on specific percentage of limits.

The technology deployed includes the latest fault tolerant servers, firewall with IPS /IDS. The on-line trading system of the Exchange is accessible to its members through any location across the length and breadth of the country through multiple modes of connectivity such as Terrestrial Leased Circuits (Nationwide Private Network (NPN) with Point of Presence (POP) at 10 locations across India and Multi-Protocol Label Switching (MPLS), VSAT, COLO and Internet.

The IT components are hosted in a state-of-art data center that is designed to support mission critical operations. The data centre and all its components are monitored 24 x 7.

MSE maintains a Disaster Recovery Site (DRS) at a different seismic zone and a Near Site near its Primary Site. As per SEBI directive and industry best practices, at MSE we are committed to achieve minimal data loss (near to zero data loss) by implementing state-of-the-art DR solution. Data is being replicated on a real-time basis from Primary Site in Mumbai to the Near Site as well as DR Site. Data synchronization between Primary Site and Near Site is synchronous & between Primary Site to DR site is asynchronous. Periodic mock tests and half yearly unannounced live trading from DR site for two consecutive days are done to ensure proper functioning of DR systems.

The robust technology infrastructure enables the Exchange to operate efficiently and also facilitates fast order routing, immediate trade execution, trade reporting, market data dissemination, risk management and market surveillance. The systems and processes of the Exchange are designed to safeguard market integrity and to enhance transparency in operations. The technology platform enables our members to undertake uninterrupted dealing even during sun outage time. The Exchange provides Real-time price information to interested parties through "Datafeed" service of the Exchange. Datafeed contains information relating to Products traded on the Exchange platform.

MSE has done strategic collaboration with Advance trading platform providers which is consumed by members as trading connectors to relevant Indian stock exchanges. An Algo test lab setup for members was developed to facilitate testing of custom built algos or strategies in back testing mode with historical exchange data. Focus was also on compliance driven changes like self-match prevention control in CDS to prevent matching between a buy and sell order entered by different members for same client in the same order book based on client's PAN. To be

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ready for new opportunity in cross currency trading product for which approval is sought with SEBI, a major enhancement to accommodate this product in our trading technology architecture is under process.

Certifications – Technology

In continuation with its commitment to provide quality-driven services to members, MSE has implemented Quality Management System ISO 9001:2008 standard. Further, information security being a crucial aspect of day to day business processes, MSE continues to retain the ISO/IEC 27001:2013 certification for its effective Information Security Management System.

Clearing, settlement and risk management

We carry out the clearing activities through our subsidiary, MCCIL. We believe that this vertical integration allows us to streamline our technology framework and improve the clearing and settlement services offered to the participants on our Exchange. MCCIL has completed all settlements undertaken between February 16, 2009, when it was launched, and March 31, 2017 without any default and delay. MCCIL is a Qualified Central Counter Party and follows standards prescribed by the IOSCO for CCPs. Through MCCIL, we carry out effective risk management surveillance by online monitoring of mark-to-market losses and margins of our members and raising alerts at mark-to-market losses or margins exceeding sixty (60) per cent, seventy five (75) per cent and ninety (90) per cent of applicable limits. Further, in case of margin utilization above predefined thresholds (such as ninety (90) or ninety five (95) per cent of margin limit) the member will be put in risk reduction mode wherein all orders will be checked for margin adequacy before forwarding for order matching. On exceeding margin or mark-to-market limits, the member is automatically put in square-off mode, after which the member is allowed only to reduce positions. These controls increase the speed of detecting probable violations and reduce the probability of member defaults. Members' margin cover is monitored on a real time basis to account for adverse price movements and reduce settlement risks. In addition, risk parameters are updated at least five (5) times during a typical trading day to ensure adequate margin coverage. The risk assessment also includes regular back testing to ensure adequacy of margins and stress testing to assess adequacy of financial resources in case of extreme but plausible market conditions.

Memberships

As of July 31, 2017, we had a total of 808 (eight hundred and eight) SEBI registered members across 76 (seventy six) towns and cities of India, of which 449 (four hundred forty nine) have membership in multiple segments on the Exchange, 348 (three hundred forty eight) were members only of the currency derivatives segment, 7 (seven) were members only in the ECM segment and 4 (four) were members only of the debt segment.

Revenues

Our revenue from operations consists primarily of transaction fees from trades executed on our Exchange, member admission fees, listing fees and connectivity charges.

For the fiscal years 2017, 2016, 2015, 2014 and 2013, our total revenue was INR 32.74 Crores, INR 32.01 Crores, INR 45.21 Crores, INR 111.56 Crores and INR 187.30 Crores, respectively, and our profit/(loss) before tax was INR (34.11 Crores), INR (40.47 Crores), INR (60.12 Crores), INR (154.53 Crores) and INR 21.42 Crores, respectively.

Key Strengths

We believe our key strengths are:

- (a) being a national level stock exchange (and one of the only three national level stock exchanges), the Company has presence across the country and license to operate in all product segments,
- (b) live operations in currency, equity, interest rate derivatives and debt segments,
- (c) robust and operational technology infrastructure with state of the art systems. proven capability of handling high volume trades including direct market access and Algo based trading,
- (d) large number of members across different product segments,
- (e) An uniquely different strategy of developing products and volume in fast growing high potential segments such as Currency, IRFs, Bond Trading, SME Listing and Trading.

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- (f) experienced management team and,
- (g) ability to provide services for clearing and settlement of trades through its subsidiary MCCIL who have maintained on time and zero default settlement of all trades since inception. Due to changes in regulatory environment, numerous listed and OTC market products are expected to be cleared through a QCCP. This presents immense opportunities for MCCIL to not only offer clearing and settlement services for the products listed on MSE, but offer such services for listed products of other exchanges and OTC products.

Recent performance

Company has been increasing its financial performance every year by reducing losses through cost rationalization and revenue increase. The annual losses have been reducing since FY15. In FY17 also, company reported 16% reduction in losses compared to previous FY16.

Company has also raised Rs.97 crore equity in the last twelve months which has enabled it to further capitalise its subsidiary MCCIL as per regulatory requirement, meet investments in business promotion, advertising and brand building and technology upgrades.

Company is actively working on new product developments and has submitted two new product approvals to the Regulator. Besides, the company is actively pursuing with the Regulator for an extension of trading hours in equity and currency segments.

The Company has undertaken brand building exercise, developed several business promotion schemes and embarked on a road show in major cities of Mumbai, New Delhi and Kolkata. These member connect events received strong positive support from the broking fraternity.

The company has also entered into a collaboration tie up with GMEX Group of London to source FPI (Foreign Portfolio Investor) Business, new product developments and equity investment in the company and its subsidiary.

Future Business Outlook

The size and growth of the Indian economy coupled with evolution of new financial products provides an opportunity for a viable business model for the Company. The Company's new management, which has taken charge since January 2016, has evolved a transformational business plan to that effect. This plan will enable the Company to position itself as the 'alternate investments exchange' of the country, with focus on currency, interest rate derivatives, ETFs, equity block deals, debt and SME listings. Each of these product segment has a large potential market size, higher growth rate and comparative lesser cost for market development compared to equities. This strategy is expected to give a niche positioning to the Company and shall enable faster market share gain and profitability.

The company is currently focused on developing healthy market share in currency, IRFs and Equity block deals. The new products shall be in the above mentioned segments for deepening company's presence in these segments.

The Company is also working on developing new products and eco-system for promoting bond trading and SME listings. The Company will also launch Government and corporate bonds in the debt segment, and intends to create a platform for listing and trading of SMEs and new age start-ups along with launching an SME Index.

The overall business plan involves a 360 degree focus on business positioning, members' engagement, branding, advertising, product development and business process efficiencies. To boost revenues the Company is developing non trading sources of revenue such as data feed charges from third party vendors, higher listing fee through greater number of company listings and launch of NISM certificate examinations.

The Company shall continue to optimise its cost structure while incurring necessary business expenses. Operating expenses such as clearing & settlement charges, rent, annual maintenance contract charges for technology platforms shall be further reduced. The management is targeting to achieve financial breakeven by end of Financial Year 2019 and turn profitable from Financial Year 2020 onwards.

SECTION III: FINANCIAL INFORMATION

The following table sets forth summary financial information derived from our audited financial statements as of and for the financial year ended March 31, 2017 and the on the basis of the reviewed financial statements for three (3) months period ended June 30, 2017. For further information with respect to the Company's audited financials please refer to the Company's website.

Balance Sheet

(Amount in INR lakhs)

Particulars	Standalone as at		Consolidated as at	
	March 31,2017	March 31,2016	March 31,2017	March 31,2016
I EQUITY AND LIABILITIES				
1. Shareholders' Fund				
(a) Share capital	24,596	19,147	24,596	19,417.00
(b) Reserves and surplus	(6,326.00)	(2,915.00)	(4,683.00)	(1,436.00)
(c) Non Refundable Interest	0.00	4,159.00	0.00	4,159.00
Free Deposits Against Warrants				
	18,270.00	20,661.00	19,912.00	22,140.00
2. Warrant application money pending allotment	34.00	0.00	34.00	0.00
3. Minority Interest	0	0	1,315.00	1,318.00
4. Non-Current Liabilities				
(a) Other long-term liabilities	5,077.00	4,631.00	6,957.00	7,217.00
(b) Long term provision	32	47	44	54
	5,110.00	4,679.00	7,001.00	7,272.00
5. Current Liabilities				
(a) Short term borrowings	0	502	0	502
(b) Trade payables	557	941	552	943
(c) Other current liabilities	3,117.00	2,853.00	7,476.00	7,654.00
(d) Short term provisions	27	11	34	12
	3,701.00	4,307.00	8,061.00	9,112.00
Total	27,115.00	29,648.00	36,325.00	39,841.00
II ASSETS				
1. Non-Current Assets				
(a) Fixed Assets				
(i) Tangible assets	1,146.00	1,709.00	1,148.00	1,713.00
(ii) Intangible assets	5,205.00	5,227.00	5,206.00	5,230.00
(iii) Intangible asset under development	189	50	189	50
(b) Non-current investments	8,158.00	5,779.00	0	0
(c) Long term loans and advances	5,552.00	5,507.00	6173	6436
(d) other non-current assets	1,457.00	0.00	15,481.00	11,253.00
	21,707.00	18,271.00	28,196.00	24,681.00
2. Current Assets				
(a) Current investments	262	465.00	1,726.00	3,675.00
(b) Trade receivables	80	189	61	33
(c) Cash and bank balances	4,523.00	7,024.00	4,583.83	7,074.00
(d) Short term loans and advances	445.00	3,372.00	1,097.00	3,683.00
(e) Other current assets	98	325.00	661.00	694.00
	5,408.00	11,375.00	8,128.83	15,159.00
Total	27,115.00	29,648.00	36,325.00	39,841.00

Statement of Profit and Loss

(Amount in INR lakhs)

Particulars	Standalone for the year		Consolidated for the year	
	2016-17	2015-16	2016-17	2015-16
I Income				
(a) Revenue from operations	2,128.73	2,268.21	1,758.70	1,430.29
(b) Other income	1144.95	932.44	1,928.53	1,575.25
Total Revenue	3,273.68	3,200.65	3,687.23	3,005.54
II Expenditure				
(a) Operating expenses	1,941.70	2,555.82	1,874.31	1,904.35
(b) Employee benefits expense	1,474.96	1,530.11	1,695.84	1,747.32
(c) Finance costs	29.67	24.89	29.67	24.89
(d) Advertisement and Business Promotion Expenses	405.3	36.32	405.3	36.32
(e) Depreciation and amortisation expense	1,392.68	1,398.83	1,394.89	1,410.13
(f) Other expenses	1,440.44	1,660.01	1,536.86	1,813.79
Total Expenses	6,684.75	7,205.98	6,936.87	6,936.80
III Profit / (Loss) before exceptional items and tax	(3411.07)	(4,005.34)	(3,249.65)	(3,931.27)
IV Exceptional items	0	41.35	0	41.35
V Profit / (Loss) before tax	(3411.07)	(4,046.69)	(3,249.65)	(3,972.62)
VI Less : Provision for taxation	0	0	0	0
VII Profit / (Loss) for the year	(3411.07)	(4,046.69)	(3,249.65)	(3,972.62)
VIII Less : Minority Interest in income / (loss)			21.05	13
IX Profit / (Loss) for the year after Minority Interest	(3411.07)	(4,046.69)	(3,270.70)	(3,985.62)
X Earnings per equity share of face value of Re.1 each				
Basic (in Re.)	(0.16)	(0.25)	(0.15)	(0.24)
Diluted (in Re.)	(0.16)	(0.25)	(0.15)	(0.24)

Cash Flow Statement

(Amount in INR lakhs)

Particulars	Standalone for the year		Consolidated for the year	
	2016-17	2015-16	2016-17	2015-16
A Cash flow from Operating Activities				
Net Profit / (Loss) before tax as per Statement of Profit and Loss	(3,411.07)	(4,046.69)	(3,249.65)	(3,972.62)
Adjustments for				
Depreciation/ Amortisation	1,392.68	1,398.83	1,394.89	1,410.13
Depreciation on Assets whose useful life expired as at 31-3-14	0	0	0	0
Dividend from Investments	0	(2.78)	(244.36)	(220.28)
Net Prior Year Adjustments	15.64	145.44	15.64	145.44
Interest Income	(489.86)	(626.37)	(1,022.40)	(1,090.36)
Finance Costs	29.67	24.89	29.67	22.81
Loss on sale of Fixed Asset (net)	4.89	0.09	4.89	0.09
Provision for doubtful debts	4.4	1.58	4.4	0
Profit on sale of investments (net)	(39.31)	(107.39)	(39.31)	(107.4)
Depletion in value of investments	0.54	0	0	0
Operating profit/ (loss) before working capital changes	(2,492.41)	(3,212.41)	(3,106.21)	(3,812.19)
Adjustments for				
Trade and other receivables	798.80	(2,011.81)	321.06	(1,193.60)
Trade and other payables	326.6	67.76	(818.72)	(2.55)
Cash generated from/(used in) operations	(1,367.01)	(5,156.46)	(3,603.87)	(5,008.34)
Net Prior Year Adjustments	(15.64)	(145.44)	(15.64)	(145.44)
Less: Taxes paid / refund received	682.94	864.13	991.04	0
Net cash generated from/(used in) operating activities	(699.71)	(4,437.77)	(2,628.47)	(5,153.78)

Cash Flow Statement

(Amount in INR lakhs)

Particulars	Standalone for the year		Consolidated for the year	
	2016-17	2015-16	2016-17	2015-16
B Cash flow from Investing Activities				
Purchase of Fixed Assets (including Capital Work In Progress)	(963.29)	(72.63)	(963.75)	(72.68)
Sale of Fixed Assets (net)	11.66	0.08	14.53	0.08
Purchase of current investments	(3,054.00)	(17,132.52)	(3,054.00)	(17,132.52)
Sale of current investments	3,257.35	18,266.78	5,003.02	19,305.52
Income from Current Investments	39.31	110.17	283.66	327.68
Fixed deposit placed with banks (having maturity of more than 3 months)	(4,887.52)	(7,923.86)	(4,887.52)	(13,250.30)
Contribution of Exchange and Interest/Dividend/ Penalty transferred to Core SGF fund (credited to CSGF)	0	0	0	(42.34)
Fixed deposit matured (having maturity of more than 3 months)	6,230.86	5,269.78	3,459.06	5,269.78
Investment in subsidiary company	(2,380.46)	(4,500.00)	0	0
Interest received (net of accrued interest)	714.96	723.41	1,052.58	1,033.30
Net cash generated from/(used in) Investing Activities	(1,031.13)	(5,258.79)	907.58	(4,561.48)
C Cash flow from Financing Activities				
Finance Costs	(29.67)	(24.89)	(29.67)	(22.81)
Share application money received/ (refunded)	34.31	0	34.31	0
Short term borrowings	(502.08)	502.08	(502.08)	502.08
Proceeds from issuance of shares	2,526.87	6,075.88	2,526.87	6,075.88
Issue of Shares to Employees by ESOP trust from Loan shares	0.15	1.41	0.15	1.41
Receipt / (Distribution) from/to Minority Shareholders	0	0	0	0
Security premium collected	0	0	0	0
Net Cash Generated from Financing Activities	2,029.58	6,554.48	2,029.58	6,556.56
Net Increase in Cash and Cash Equivalents	298.73	(3,142.08)	308.69	(3,158.70)
Cash and Cash Equivalents at Beginning of the Year	100.39	3,242.46	150.46	3,309.16
Cash and Cash Equivalents at End of the Year	399.12	100.39	459.15	150.46
Add : Fixed Deposits held for more than three months	4,124.00	6,923.86	4,124.00	6,923.86
Closing Cash and Bank Balance	4,523.12	7,024.24	4,583.15	7,074.31

Statement of Quarterly Standalone Financial Results (Amount in INR lakhs)

Particulars	For the Quarter ended	
	June 30, 2017 Reviewed	June 30, 2016 Reviewed
1 Income from operations	270.59	602.52
Total Income from operations	270.59	602.52
2 Expenditure		
(a) Operating expenses	530.16	300.7
(b) Employee benefits expense	399.95	369.98
(c) Depreciation and amortisation expense	357.81	340.23
(d) Advertisement and business promotion expenses	263.93	84.02
(e) Other expenses	550.81	362.31
Total Expenditure	2,102.66	1,457.24
3 Profit/ (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(1832.07)	(854.72)
4 Other Income	127.35	163.58
5 Profit/ (Loss) before Finance Costs and Exceptional Items (3+4)	(1704.72)	(691.14)
6 Finance Costs	0	10.19
7 Profit/ (Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	(1704.72)	(701.33)
8 a) Exceptional items (refer note 7)		
b) Prior Period Items		
9 Profit / (Loss) from ordinary activities before tax (7-8)	(1704.72)	(701.33)
10 Tax expense (Net of MAT credit)	0	0
11 Net Profit/ (Loss) for the period (9-10)	(1704.72)	(701.33)
12 Paid-up Equity Share Capital (Equity Shares of ₹ 1/- each.) (refer note 4)	27,648.86	19,416.77
13 Reserves excluding revaluation reserves	0	0
14 Earnings Per Share of Re 1/- each (In ₹) (Not Annualised)		
(a) Basic	(0.06)	(0.04)
(b) Diluted	(0.06)	(0.04)

SECTION IV: CAPITAL STRUCTURE OF THE COMPANY**Capital Structure**

Particulars	Aggregate Nominal Value (in INR)
(A) Authorized Share Capital	
* 5,500,000,000 Equity Shares of INR 1 (INR One) each	5,500,000,000/-
(B) Issued, Subscribed and Paid-up Equity Share Capital before the Issue	
3,185,181,273 Equity Shares of INR 1 (INR One) each	3,185,181,273/-
(C) Present Issue being offered to the Existing Equity Shareholders through this Letter of Offer	
159,25,90,703 Equity Shares of INR 1 (INR One) each	1,592,590,703/-
(D) Issued, Subscribed and Paid-up Equity Share Capital after the Issue (assuming full subscription for and allotment of Equity Shares)	
477,77,71,976 Equity Shares of INR 1 (INR One) each	4,777,771,976/-

Notes to the Capital Structure

- The total outstanding warrants convertible into equity shares as on the date of this offer letter is 6,877,589 warrants. Out of the aforesaid warrants 6,862,589 warrants were allotted by the Company under its previous Rights Issue (Rights Issue 2016) and the issued warrants will be eligible for conversion on and after September 24, 2017. The balance outstanding 15,000 warrants issued under the Scheme of Reduction cum Arrangement ("the scheme") with the sanction of the Hon'ble High Court of Bombay by an order dated March 12, 2010 are outstanding for conversion.
- The Company has an Employees Stock Option Scheme, 2009 for issuance of ESOPs through the Trust route to its employees and its subsidiary's employees. 5,672,734 Equity Shares are held by the ESOP Trust under the ESOP Scheme as on September 8, 2017
- *The Authorised capital as on the date of the letter of offer is INR 350 Crore which is proposed to be increased to INR 550 Crore vide shareholders' approval which is being sought in the ensuing Annual general meeting of the Company convened on September 14, 2017.
- Details of the Top Twenty (20) Shareholders of the Company as on September 08, 2017

S. No.	Name of Shareholder	No. of Equity Shares held	Category	Percentage of shareholding
1	Multi Commodity Exchange of India Limited	331,777,008	Corporate	10.42
2	Siddharth Balachandran	145,470,000	NRI	4.57
3	Trust Investment Advisors Private Limited	119,115,930	Corporate	3.74
4	IL&FS Financial Services Limited	119,109,627	Corporate	3.74
5	Rakesh Jhunjhunwala	119,108,353	Public	3.74
6	Radhakishan S Damani	118,464,797	Public	3.72
7	State Bank Of India	97,400,000	Banks	3.06
8	Nemish S Shah	97,370,000	HUF	3.06
9	Aadi Financial Advisors LLP	97,350,000	Corporate	3.06
10	Viral Parikh	95,619,000	Public	3.00
11	Maiank Bharat Kumar Mehta	88,754,112	NRI	2.79
12	Dhanesh S Shah	80,000,000	Public	2.51
13	Union Bank Of India	72,500,000	Banks	2.28
14	IFCI Limited	71,875,000	IFI	2.26
15	Harshil Kantilal Kothari	69,169,408	NRI	2.17
16	Edelweiss Commodities Services Limited	57,020,000	Corporate	1.79
17	Bank Of Baroda	55,838,376	Banks	1.75
18	Uday Suresh Shah	51,500,000	Public	1.62
19	Bennett, Coleman and Company Limited	50,700,000	Corporate	1.59
20	Bank Of India	50,000,000	Banks	1.57

SECTION V: REGULATORY AND LEGAL**Regulations and Policies Governing the Business of the Company***SEBI Regulations*

SEBI exercises overall regulatory supervision over the stock exchanges, including the Company, and also has the authority to grant or withdraw recognition of any stock exchange. The primary legislations applicable to stock exchanges in India are the:

- (a) SCRA – The SCRA regulates dealing in securities and registration of stock exchanges. Pursuant to the SCRA we have been granted a certificate of recognition by SEBI, which was issued on September 16, 2016 and expires on September 15, 2017. We have already filed an application for extension of the certificate of registration (by way of letter dated June 13, 2017), and
- (b) SECC Regulations – The SECC Regulations were notified by SEBI on June 20, 2012, with a view to regulate recognition, ownership and governance of stock exchanges and clearing corporations. The SECC Regulations briefly provide as follows, with respect to stock exchanges:
 - (i) Net worth – every recognised stock exchange must have, at all times, a minimum net worth of INR 100 Crores (INR One Hundred Crores).
 - (ii) Shareholding – pursuant to the SECC Regulation at least 51(fifty one) per cent of the paid up equity share capital of a stock exchange must be held by public. The term public has been defined to mean any person other than a trading member, or a clearing member, or any associates or agents of a trading member or a clearing member. Further, any person who wishes to acquire shares of a stock exchange must satisfy the requirements of being a fit and a proper person. With respect to individual shareholding limits the following thresholds must be kept in mind:
 - (A) any person who owns 2 (two) per cent of the paid up equity share capital of a stock exchange can go up to 5 (five) per cent, subject to having obtained the consent of SEBI within 15 (fifteen) days from the date of acquisition of shareholding in excess of 2 (two) per cent.
 - (B) no person, other than a stock exchange, banking company, depository, insurance company or a public financial institution, foreign stock exchange, foreign depository, foreign banking company, an foreign insurance company and a foreign commodity derivative exchange can hold more than 5 (five) per cent unless they have acquired the prior consent of SEBI. Further, the maximum shareholding limit for a banking company, depository, insurance company or a public financial institution is restricted to 15 (fifteen) per cent.
 - (iii) Composition- the composition of the board of directors of every stock exchange is required to include shareholders directors, public interest directors and managing director. The number of public interest directors should not less than the number of shareholder directors. The managing director shall be an ex-officio director on the governing board and shall not be included in either the category of public interest directors or shareholder directors.

Foreign Exchange Regulations

In terms of the foreign exchange regulations of India, up to 49 (forty nine) per cent foreign investment under automatic route is permitted in the equity of Market Infrastructure Institutions (MIs), i.e., stock exchanges, depositories and clearing corporations. Further, the foreign investment, including investment by FPIs, will be subject to the SECC Regulations and Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. Accordingly, in terms of the SECC Regulations, no person resident outside India directly or indirectly, either individually or together with persons acting in concert, can acquire or hold more than 5 (five) per cent, provided that, (i) a foreign stock exchange; (ii) a foreign depository; (iii) a foreign banking company; (iv) an foreign insurance company; and (v) a foreign commodity derivatives exchange, may acquire or hold, either directly or indirectly, either individually or together with persons acting in concert upto 15 (fifteen) per cent of the paid up equity share capital of a recognised stock exchange..

Legal and Other Information*Litigations Involving the Company*

Brief summaries of the key litigations involving the Company are set out below:

(a) Suit filed by IL&FS in the matter of the share purchase agreement

IL&FS has filed a suit before the Bombay High Court against MSE (295 of 2014), along with a notice of motion for interim relief, against the Company for breach of the share purchase agreement dated August 20, 2009 entered into between the Company, IL&FS and MCX. Various reliefs have been sought by IL&FS from MCX and MSE (on a joint and several basis), including monetary claim of INR 84.21 Crores (INR Eighty Four Crores Twenty One Lakhs Fifteen Thousand) along with an interest at the rate of 12 (twelve) per cent per annum from the date of filing the suit till payment and realization thereof.

(b) Compensation claim on NSE with respect to predatory pricing and anti-competitive practices of NSE

The Company could not, for certain years, charge a transaction fee in its currency derivatives segment as its dominant competitor, National Stock Exchange of India Ltd. (NSE), was not charging any fee. On the complaint by the Company, the Competition Commission of India (CCI) passed an order dated June 23, 2011, directing NSE to cease and desist from carrying on its unfair pricing policy and further levied a penalty of INR 55.50 Crores (INR Fifty Five Crores Fifty Lakhs) on NSE. Challenging this order the NSE filed an appeal before the Hon'ble Competition Appellate Tribunal (COMPAT), which vide its order dated August 5, 2014 upheld the order passed by the Hon'ble CCI and found NSE guilty of abusing its dominant position as it had indulged in anti-competitive practices.

In response NSE filed an appeal before the Hon'ble Supreme Court on September 16, 2014 against the order passed by the Hon'ble COMPAT. Subsequent to the appeal, an interim stay on the recovery of penalty amount was granted by the Hon'ble Supreme Court. The matter is listed for hearing before the Hon'ble Supreme Court on September 8, 2017.

Additionally, pursuant to the order passed by the Hon'ble COMPAT, the Company has filed an application for compensation, under section 53N of the Competition Act, 2002, before the Hon'ble COMPAT for recovery of an amount of INR 856.99 (INR Eight Hundred Fifty Six Crores Ninety Nine Lakhs) along with interest pendente lite in future at the rate of 18 (eighteen) percent till realization of the claim, from NSE in respect of losses and damages suffered on account of the unfair pricing practices under the Competition Act, 2002. The matter is listed for hearing before the Hon'ble COMPAT on September 11, 2017.

Penalties or strictures imposed on the Company by SEBI or any statutory authority, on any matter related to the capital markets during the last three (3) years

There is a need to make capital infusion in MCCIL to fulfil net worth requirement of Rs. 300 Crore as mandated by SEBI for which the current Rights Issue is being made. SEBI has advised the Exchange to have firm alternative arrangements for clearing and settlement for trades executed on exchange platform. This is necessary for launch new contracts on the products permitted to be traded or launch new products. The Exchange has informed SEBI that it is working towards the same and simultaneously, the Exchange is also working on other options to fulfil this networth requirement of MCCIL.

Litigations Involving our Directors

As of date, there are no litigations pending against the directors of the Company.

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SECTION VI: TERMS OF OFFER AND OTHER RELEVANT OFFER RELATED INFORMATION

The Offered Equity Shares are subject to the provisions of the Companies Act, SCRA, SECC Regulations, the Charter Documents, the terms and conditions of this document, the approvals required from SEBI, if any, and other guidelines, notifications and regulations issued by SEBI, as may be applicable on the Company.

Summary of the terms of the Offer

Details of Offered Equity Shares	
Total number	159,25,90,703
Entitlement of an Eligible Shareholder	1 (One) Offered Equity Share for every 2 (Two) Equity Shares held on the Record Date (1:2) i.e. September 7, 2017.
Offer Price	INR 1.30 (Rupees One and Thirty paise including a premium of thirty paise) per Offered Equity Share
Face Value per Offered Equity Share	INR 1 (Rupee One)
Payment term	100 (One Hundred) per cent at the time of application
Important Dates	
Record Date	September 7, 2017
Offer Opening Date	September 16, 2017
Last date for request for split application forms	September 20, 2017
Offer Closing Date	September 30, 2017

Basis of the Offer

The Offered Equity Shares are being offered to the Eligible Shareholders as per the list furnished by the registrar and share transfer agent of the Company on the Record Date.

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Authority for Offer

The Board of Directors of the Company has approved the Offer in its meeting held on August 11, 2017

Objects of the Offer

The proceeds raised from issue of Equity Shares will be utilized for the purpose of capitalization of Company's subsidiary Metropolitan Clearing Corporation of India Limited and for the purpose of implementation of turnaround business plan of the Company. MCCIL is required to meet the networth requirement as mandated by SEBI and hence immediate capitalization of MCCIL is critical and therefore the proceeds of rights issue would be utilized towards the same, apart from utilisation in other avenues.

The fund requirement and deployment is based on internal management estimates and current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

Principal Terms

Rights Entitlement

Each Eligible Shareholder is entitled to:

- (a) 1 (One) Offered Equity Share for every 2 (Two) Equity Shares held on the Record Date, and

Face Value and Issue Price

Each Offered Equity Share has a face value of INR 1 (Rupee One) and shall be issued at Rs. 1.30 (including a premium of thirty paise)

Terms of payment

- (a) For Offered Equity Shares – full amount is to be paid on application.

Mode of payment

- (a) Bank transfer (NEFT/RTGS) to the following bank account of the Company:

Payee Name	Metropolitan Stock Exchange of India Limited Rights Issue 2017
Name of the Bank	HDFC Bank Ltd.
Branch	Fort Mumbai
IFSC Code	HDFC0000060
Account Number	00600340049270
Account Type	Current

In case of payment by bank transfer, please enclose a copy of the bank acknowledgement evidencing the payment along with the application form.

- (b) Cheque/ demand draft drawn in favour of “**Metropolitan Stock Exchange of India Limited Rights Issue 2017**”. All cheques must be crossed “A/c Payee only”. Please enclose the cheque/ demand draft with the application form. To avoid any misuse of instruments, the applicants are advised to write the application number and name of the first applicant, if applicable, on the reverse of the cheque/ demand draft.

Fractional Entitlement

- (a) If less than 0.5, it shall be rounded up to the lowest nearest integer,
- (b) If equal to or more than 0.5, it shall be rounded up to the highest nearest integer, subject to at all times, the rounding up to the higher integer does not result in breach of the shareholding limits as prescribed under the SECC Regulation, in which case the rounding up will be to the lowest nearest integer.

Rights attached to the Offered Equity Shares

The Offered Equity Shares shall carry the same rights as the existing Equity Shares and shall rank pari passu, in all

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respects, with the existing Equity Shares.

Joint holders

In case of two or more persons are registered as the holders of any Equity Shares, the first shareholder shall be considered as the Eligible Shareholder for the purposes of the Offer.

Options available to an Eligible Shareholder

An Eligible Shareholder can:

- (a) apply for the full entitlement of the Offered Equity Shares,
- (b) apply for part entitlement of the Offered Equity Shares and either decline the remaining part or renounce the remaining part in favour of a third person,
- (c) renounce his / her entire entitlement (in part or in full);

Additional Equity Shares

An Eligible Shareholder may apply for additional Equity Shares over and above Rights Entitlement provided he has applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to SECC Regulations and other applicable laws. If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a proportionate basis.

Unsubscribed portion

The unsubscribed portion, if any, after the Offer closes shall be disposed by the Board in such manner as it may deem fit in its absolute discretion, subject to it not being disadvantageous to the Shareholders and the Company.

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Articles of Association of our Company and SECC Regulations, the Board will proceed to Allot the Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.
- (b) Allotment to the Eligible Equity Shareholders who applied for all the Equity Shares offered to them as part of the Issue and has also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity shares held by them on a Record Date, provided there is an under-subscribed portion available after making full Allotment in (a) above. The allotment of such Equity Shares will be at the sole discretion of our Board of Directors, as a part of the Issue and will not be a preferential Allotment.
- (c) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a) and (b) above. The allotment of such Equity Shares will be at the sole discretion of our Board of Directors, as a part of the Issue and not preferential Allotment.
- (d) Allotment to any other person that our Board of Directors as it may deem fit provided there is surplus available after making Allotment under (a), (b), (c) above and the oversubscription, if any, the decision of our Board in this regard shall be final and binding.

The Allotment of Equity Shares in the Rights Issue will be subject to the shareholding limits as per SECC Regulations and will be made based on the Equity Share Capital emerging on subscription received in the Offer.

In accordance with the provisions of the Procedural Norms on Recognitions, Ownership and Governance for Stock Exchanges and Clearing Corporations issued by SEBI on December 13, 2012 ("SEBI Procedural Norms"), the Company shall collect and forward the applications of such shareholders / investors to SEBI on behalf of the applicants to obtain necessary approvals under Regulations 19(2) and 19(3) of the SECC Regulations. In the case of approvals required under Regulation 19(2) of the SECC Regulations, the application shall be made after the allotment of the Rights Shares and in the case of approvals required under Regulation 19(3) of the SECC Regulations, the application shall be made upon receipt of all applications and closure of the Issue but prior to the

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allotment of the Rights Shares.

Pending receipt of the approval from SEBI under Regulation 19(3) of the SECC Regulations, the Exchange may make allotments to the concerned applicants to the extent that such allotments do not exceed the limit specified in Regulation 19(3) as well as to the remaining applicants. The share subscription monies in respect of the amount in excess of the limits specified in regulation 19(3) shall be maintained by the Company in a separate bank account. In the event such approval of SEBI is not received in respect of a particular applicant, such portion of the application money paid by such applicant as are kept in the separate bank account shall be refunded by the Company without any interest.

IMPORTANT NOTES:

- (a) A person in whose favour an Eligible Shareholder is renouncing its entitlement cannot further renounce those rights.
- (b) The allotment of Offered Equity shares shall be made by the Company in accordance with the applicable provisions of the 2013 Act, FEMA, SCRA and the SECC Regulations. Accordingly, our Board may reserve the right to allot the Offered Equity Shares in favour of an Eligible Shareholder or a renouncee if such allotment will result in violation of applicable laws.
- (c) In accordance with the SECC Regulations, as applicable to the Company, the Equity Shares will be allotted by the Company in dematerialised form only and no request for issuance of physical share certificate shall be entertained by the Company at any point of time.
- (d) In terms of the SECC Regulations, if pursuant to the Offer the shareholding of an Eligible Shareholder (either on its own or jointly) or a renouncee (either on its own or jointly):
 - (i) not being a stock exchange or a depository or a banking company or an insurance company or a public financial institution, exceeds:
 - (A) 2 (two) per cent but not more than 5 (five) per cent of the fully diluted equity share capital of the Company then the excess Equity Shares shall be allotted subject to such Eligible Shareholder or renouncee, as applicable, furnishing to the Company, within 10 (ten) days of the allotment, all information and documents which is necessary and requisite for the Company to file with the SEBI the application for SEBI's post facto approval in accordance with the SECC Regulations. In case the information or documents are not submitted then such Eligible Shareholder or renouncee, as the case may be, shall be required to divest the excess shareholding.
 - (B) 5 (five) per cent of the fully diluted equity share capital of the Company then the excess shares shall not be issued and the amount representing the excess shares shall be refunded.
 - (ii) being a stock exchange or a depository or a banking company or an insurance company or a public financial institution or a foreign stock exchange or a foreign depository or a foreign banking company or an foreign insurance company or a foreign commodity derivatives exchange, exceeds:
 - (A) 2 (two) per cent but not more than 5 (five) per cent of the fully diluted equity share capital of the Company then the excess Equity Shares shall be allotted subject to such Eligible Shareholder or renouncee, as applicable, furnishing to the Company, within 10 (ten) days of the allotment, a copy of the relevant application for approval filed with SEBI for its post facto approval in accordance with the SECC Regulations. In case a copy of the relevant application is not submitted then such Eligible Shareholder or renouncee, as the case may be, shall be required to divest the excess shareholding.
 - (B) 5 (five) per cent but not more than 15 (fifteen) per cent of the fully diluted equity share capital then the excess Equity Shares shall not be allotted unless the relevant approval of the SEBI has been received.
 - (C) 15 (fifteen) per cent of the fully diluted equity share capital of the Company then the excess shares shall not be issued and the amount representing the excess shares shall be refunded.
- (e) For NRI investor along with the application form the following documents will be submitted along with the application form:
 - KYC from the Bank
 - Certified copy of FIRC or / NRE statement
 - letter from AD towards confirmation of debit to NRE account held with them
 - Any other Documents as may be required under the prevalent laws.

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How to Apply

The enclosed application form should be completed in all respect in its entirety before submission. Completed application forms, along with evidence of payment (in case of bank transfer) or cheque (as applicable), should be sent to the Company at the registered office on or before 5.30 pm IST, September 30, 2017.

The form consists of four (4) parts and should be filled as described in the table below:

Options Available	Action Required
In case you want to subscribe to your entitlement of Offered Equity Shares in full or in part.	Fill in and sign Part A and Part E
In case you want to renounce your entitlement of Offered Equity Shares in part	Fill in, sign and submit Part D. On receipt of SAF, fill in and sign Part A and Part E (to the extent you want to subscribe to your entitlement) and Part B (to the extent you want to renounce your entitlement)
In case you want to renounce your entitlement of Offered Equity Shares in full	Fill in and sign Part B
In case the renouncee wants to subscribe to the entitlement renounced in his favour, in part or in full.	Fill in and sign Part C and Part E and submit along with Part B received from the renouncer
In case you want to request for split application forms	Fill in and sign Part D

Please note that:

- Applications once submitted cannot be altered/withdrawn.
- In case of joint holding all joint holders must sign in the same order as their names appear in the records of the Company.
- In case no application forms are received then it would be deemed that the Eligible Shareholder has declined the full entitlement.
- Where an application is for allotment of Offered Equity Shares the applicant must submit a copy of their PAN along with the application form.
- Application forms submitted by body corporates must be accompanied with a copy of the certified charter documents and the relevant approval of the board of directors (or relevant governing body) approving the investment and authorising the relevant person to sign the forms.
- Requests for split application forms (Number of Splits allowed is restricted to Ten (10) SAF) should reach the Company on or before September 20, 2017.
- Only the Eligible Shareholder to whom this document has been addressed and not the renounce(s) shall be eligible to renounce and to apply for split application forms. Forms once split will not be split again.
- Split form(s) will be sent to the applicant(s) by post/ email at the applicant's sole risk.

Application on Plain Paper

An Eligible Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque/ demand draft, payable at Mumbai or in case of payment by bank transfer, along with a copy of the bank acknowledgement evidencing the payment and the Investor should send the same by registered post or speed post directly to the Company's Registered Office. The envelope should be super-scribed "Metropolitan Stock Exchange of India Limited – Rights Issue 2017". The application on plain paper, duly signed by the applicant(s) including joint holders, in the same order as per specimen recorded with our Company, must reach the Company's Registered Office before the Issue Closing Date and should contain the following particulars:

- Name of the issuer being Metropolitan Stock Exchange of India Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID Number;
- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;

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- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total application amount paid at the rate of INR 1.30 (including a premium of thirty paise) per Equity Share;
- Particulars of cheque/ demand draft;
- Savings/Current Account Number and name and address of the bank where the Applicant will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories.
- PAN number of the Applicant;
- Contact Number & Email ID
- Signatures of Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company or Depositories ;

General

- (a) All applications under the Offer shall be made on the prescribed application form(s) or plain paper. The application should be complete in all respects and applications which are not complete in all respects and or are made otherwise than as provided in this document shall be rejected and the application money shall be refunded by the Company. Accordingly, please read the instruction for filling the application form(s) carefully.
- (b) All communication in relation to the Offer shall be addressed to the registered office of the Company.
- (c) Application forms must be filled in ENGLISH in BLOCK LETTERS and should be signed at relevant places.
- (d) In case of joint applicants, refunds will be made to the person whose name appears first on the application form and all communications will be addressed to the first holder.
- (e) All refunds shall be made in the bank account specified in the application form. The Company will not verify whether the details provided are correct and shall not be liable or responsible in case the refund has been made to the specified bank account even if it later appears that the details provided are incorrect.
- (f) Any dispute or proceedings arising out of or in relation to this Offer or in respect of any matter or thing herein contained shall be subject to the jurisdiction of appropriate courts in Mumbai.

Grounds for technical rejection

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:

- (a) Amount paid does not tally with the amount payable.
- (b) Bank account details furnished by the applicant are incomplete.
- (c) Copy of the PAN, has not been furnished along with the application form.
- (d) In case of application by body corporate, the relevant documents as specified in this document has not been furnished.
- (e) If the application form does not have applicant's depository account details.
- (f) Application forms are not submitted by the applicant within the timelines as prescribed in this document.
- (g) Application form is not duly signed.

SIGNED FOR AND ON BEHALF OF THE COMPANY

**BY THE ORDER OF THE BOARD OF DIRECTORS
OF METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED:**

Sd/-

**UDAI KUMAR
MANAGING DIRECTOR & CEO**

Date: September 8, 2017

Place: Mumbai

Sd/-

**RATHINDRA DAS
HEAD- LEGAL & COMPANY SECRETARY**

Date: September 8, 2017

Place: Mumbai

Enclosed: Composite Application Form