

# INVESTOR OVERVIEW



May 2016

# DISCLAIMER

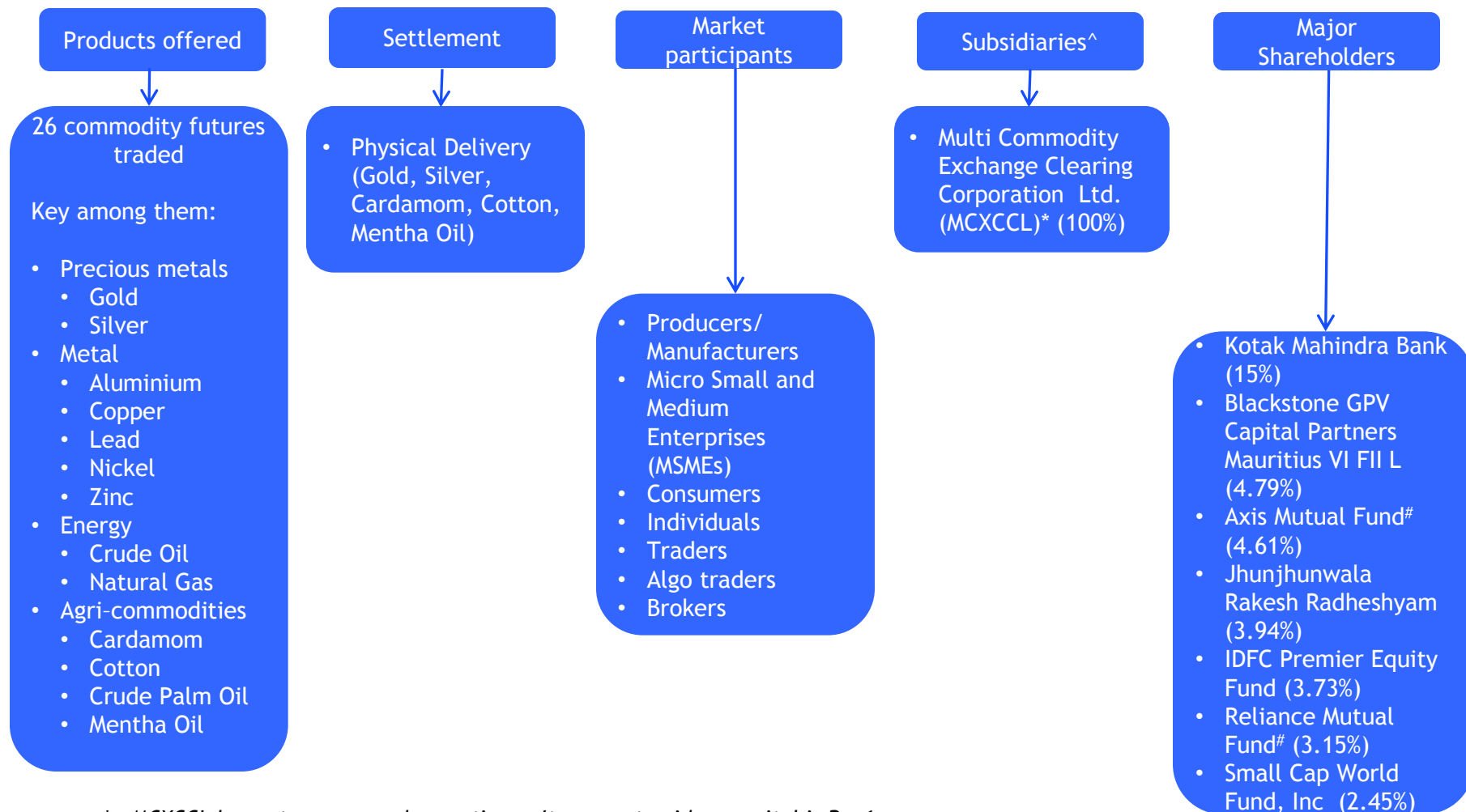
Certain statements in this presentation contain forward-looking information about Multi Commodity Exchange of India Limited and its subsidiary companies, including their business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or concern future financial performance (including revenues, earnings or growth rates), possible future plans and action of the company. Forward-looking statements are based on current expectations and understanding about future events.

They are inherently subject to, risks, uncertainties, and assumptions, etc. about the Company, economic factors and the industry in general. The Company's actual performance and events could materially differ from those expressed or implied by forward-looking statements made by the company due to, but not limited to, important factors such as general economic, political and market factors in India and internationally, competition, technological change, and changes in the government regulations.

The material mentioned in this presentation is general background information about the Company's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete, is subject to change without notice and its accuracy is not guaranteed. This presentation (including any information contained herein and any information, whether or not in writing, supplied in connection herewith) is strictly confidential.

- Commenced operations on November 10, 2003
- As proposed in the Union Budget 2015, FMC (the erstwhile regulator of commodity markets) and SEBI were formally merged on September 28<sup>th</sup>, 2015. As a result, SEBI commenced regulating the commodity derivatives market under Securities Contracts Regulation Act (SCRA) 1956 with effect from 28th September, 2015 and the Forward Contracts Regulation Act (FCRA) 1952 got repealed with effect from 29th September, 2015. The Act also provides that all recognised associations under FCRA shall be deemed to be recognised stock exchanges under the SCRA.
- The Exchange offers:
  - online trading, and clearing and settlement of commodity futures transactions
  - a platform for price discovery and price risk management
  - neutral, secure and transparent trade mechanisms
  - scalable technology framework

# OVERVIEW



\* - MCXCCL has not commenced operations,. Its current paid-up capital is Rs. 6 crore.

^ - SME is under process of winding up. The requisite filing by the appointed Liquidator with Registrar of the Companies and the Official Liquidator w.r.t. the final general meeting is being done by the Liquidator and the final order of dissolution is awaited.

# - Holding under different schemes

# KEY MILESTONES

Incorporated in April 2002

Commenced operations in Nov 2003

Forged strategic alliances with NYMEX (Part of CME Group)

Commodity Transaction Tax (CTT) imposed effective July 1, 2013

As a result of crisis at NSEL (a subsidiary of FTIL), (1) MCX's erstwhile anchor investor, Financial Technologies (FTIL) - declared not 'Fit and Proper'; (2) FMC asked PwC to conduct a forensic audit of MCX's operations since inception - revealed pertinent facts

MCX underwent significant changes during 2013-14; changes in top management and Board

Market share fell to about 77%

Market share of 87.48% in Q4 FY 2015

Launch of futures trading in Gold Global & Crude mini

Signed MoU with

- CME Group
- GIFT City

2002 -11

2012

2013

2014

2015

2016

Became India's first listed exchange on March 9, 2012  
Recorded the highest daily turnover of Rs. 119941.42 crore (single side)  
Was the 3<sup>rd</sup> largest commodity futures exchanges globally in terms of the number of contracts traded in CY 2012\*  
Market share of about 87% in FY2012-13

Mr. P K Singhal assigned the role of taking care of the day to day operations of the Exchange

Technology agreement with FTIL re-negotiated - more equitable terms w.e.f. July 01, 2014

FTIL sold its entire stake (26%) held in MCX between July-September 2014

Kotak Mahindra Bank Ltd. acquired 15% equity stake on September 29, 2014

Mr. P. K. Singhal elevated as Joint Managing Director on October 14, 2014

Regains Market share of about 86% in December 2014

^Appointed Mr. Mrugank M. Paranjape as MD & CEO



- The growth of the overall economy in India is expected to drive the underlying demand for commodities. The increase in physical market volumes may increase the hedging requirements of industry players, which influences derivative trading volumes.
- Commodity derivative volumes are generally a multiple of the underlying physical commodity volumes. In India, the volumes traded on commodity futures exchanges is very low as compared to the size of the physical market for the commodity. Thus, the potential for commodity derivatives is huge.

Commodity	Futures Multiplier Year 2015 (Global Benchmark Exchanges)	Futures Multiplier During Year 2015 (MCX)
Gold	62.0	4.9
Silver	154.0	33.7
Copper	103.0	11.7
CPO	9.0	1.0
Cotton	43.0	0.4
<i>Futures Multiplier refers to number of times future market's volume is in comparison with the physical market size.</i>		

- SEBI's powers to raid, search, impose penal fines and take criminal action will ensure better market integrity
- 'Dabba' Trade (bucket shops) which according to AC Nielsen report was 3 times of the regulated commodity markets in 2013 (pre CTT) could get curbed
- Products like options, indices, weather derivatives and intangibles may be launched in future
- Institutions like FIIs, Banks, Mutual Funds may be allowed to enter commodity futures market going forward
- Enables commodity exchanges to launch complementary products such as currency derivatives
- Expected decrease in cost of compliance

- The central government imposed a CTT of 0.01% on non-agricultural commodity futures transactions, which has
  - increased hedging cost
  - reduced liquidity

As a result of the high impact cost, many large corporates have moved their hedging positions to international exchanges; jobbers and day traders have stopped trading on domestic exchanges; trading on illegal platforms has increased manifold
- Escalating competition : The merger also allows equity exchanges to launch commodities
- Dealing with delivery-based commodities & quality issues
- Delivery and settlement processes among the commodity & stock exchanges differ significantly
- Regulation of Warehouses: Regulatory & Infrastructure related issues
- Regulation of Spot and Forward Trading
- Curbs on algorithmic trading : SEBI is mooting restrictions on algorithmic trading in order to curb market manipulation
- Registration and transaction cost: SEBI to charge a registration and turnover fee to commodity brokers and bring transaction cost charged by commodity brokers at par with equity markets



## 1. Risk Management Norms

- Redefined the applicable margin & Mode of Calculations
  - Extreme Loss Margins (ELM) has been introduced
- Defined Eligible collaterals & Liquid Assets
  - Prescribed minimum haircuts
  - Segment wise capping
  - Minimum cash or equivalent has been fixed at 50 per cent of liquid assets
- Risk Reduction Mode (RRM) has been introduced when member utilises 90 per cent of margin

## 2. Membership Norms

- Traders and business houses can also register as members of commodity exchanges
- The networth requirement of Rs. 1 crore & 50 Lacs as Deposit
- Annual regulatory charge of Rs. 50,000 and one-time registration fee of Rs. 25,000

## 3. Other Initiatives

- Set up an advisory committee for the commodity derivative markets to discuss issues relating to regulations and development of commodity markets and suggest required measures to it
- Sebi has allowed trading in commodity derivatives at stock exchanges operating in International Financial Services Centre (IFSC)

- Ensure that all shareholders are ‘fit and proper’ & exchange to make quarterly disclosure of the fit and proper status of all shareholders and action taken thereof, if not so
- Shareholders who acquire above two per cent would have to seek approval from SEBI within 15 days of acquisition
- Shareholders who intend to acquire beyond five per cent would have to take a prior approval from SEBI
- Exchange to ensure 51 per cent of shareholding is held by the public at all times
- Aggregate Shareholding of trading members, their associates or agents should not exceed 49% paid-up capital at any point of time
- No foreign entity shall acquire or hold more than five per cent of the paid-up equity share capital\*

\* During budget speech Finance minister Arun Jaitley, announced that “investment limit for foreign entities in Indian stock exchanges will be enhanced from 5 to 15 per cent on par with domestic institutions.”

- Conducting awareness, capacity building and stakeholder programmes

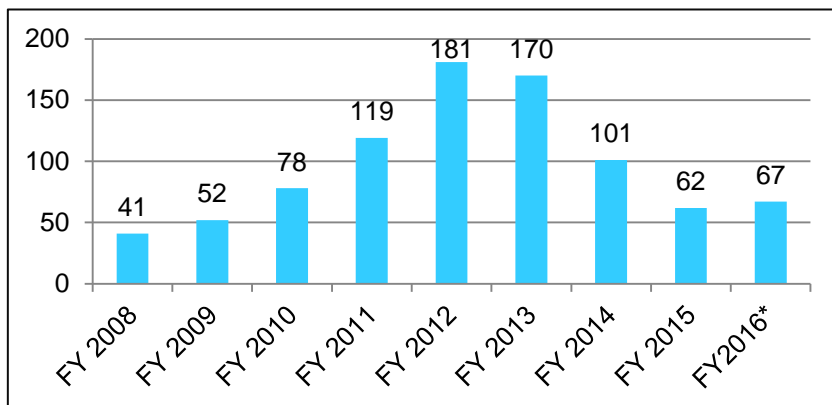
Category	FY2015-2016	FY2014-2015	FY2013-2014
Hedgers/ Industrial Associations / Farmers	148	116	106
Retail Investors	228	249	84
<b>Total</b>	<b>376</b>	<b>365</b>	<b>190</b>

- Educational programmes for broad basing the commodity market ecosystem
- Releasing “Dos and Don’ts” advertisements to enlighten market participants on the merits of trading on regulated commodity futures exchanges
- Releasing “Benefits of Hedging in India” advertisements across various reputed publications to educate the physical markets on the importance of using MCX for commodity price risk management
- Engaging with print and electronic media, coupled with evidence-based policy advocacy to create awareness and sensitise policymakers on various issues affecting the market
- Empowering market participants with relevant information through monthly newsletter (MCX CommNews) and commodity market review (Commodity Connect)
- MoU with 9 universities and educational institutions to promote skill development, knowledge, research and financial literacy in the commodity space through various educational initiatives
- Launched MCX Certified Commodity Professional (MCCP) programme in Hindi and Gujarati



# INDIA'S LEADING EXCHANGE

## GROWTH OF INDIAN COMMODITIES MARKET IN TERMS OF VALUE OF FUTURES TRADED (INR TN)

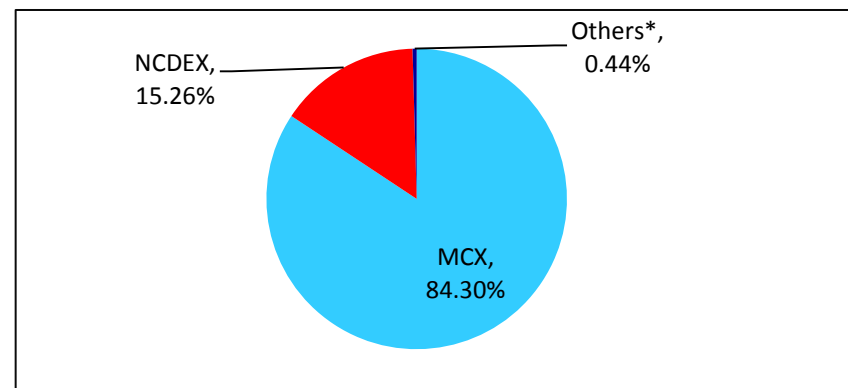


## MCX: MARKET SHARE IN KEY SEGMENTS FOR FY15-16

Commodity segment	MCX Market Share in Indian Commodity Futures space	Proportion of MCX's turnover
Bullion	99.01%	36.74%
Energy	100.00%	34.39%
Base Metals	100.00%	26.71%
Agri - commodities	10.58%	2.16%

Source: FMC, \* For FY 16 - Websites of National Exchanges

## MARKET SHARE (FY 15-16)



\* Other National Exchanges offering commodity futures only

## GLOBAL RANKING OF MCX's COMMODITY FUTURES CONTRACTS AMONG F&O CONTRACTS IN CY 2015\*\*

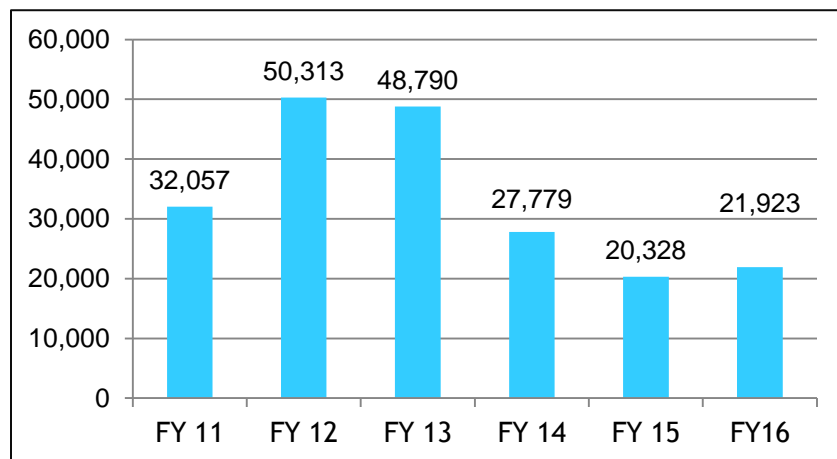
7 <sup>th</sup>	MCX Crude Oil Futures
8 <sup>th</sup>	MCX Crude Oil Mini Futures
15 <sup>th</sup>	MCX Silver Micro Futures
19 <sup>th</sup>	MCX Natural Gas Futures
20 <sup>th</sup>	MCX Copper Futures

\*\* Source: FIA Annual Volume Survey March 2016

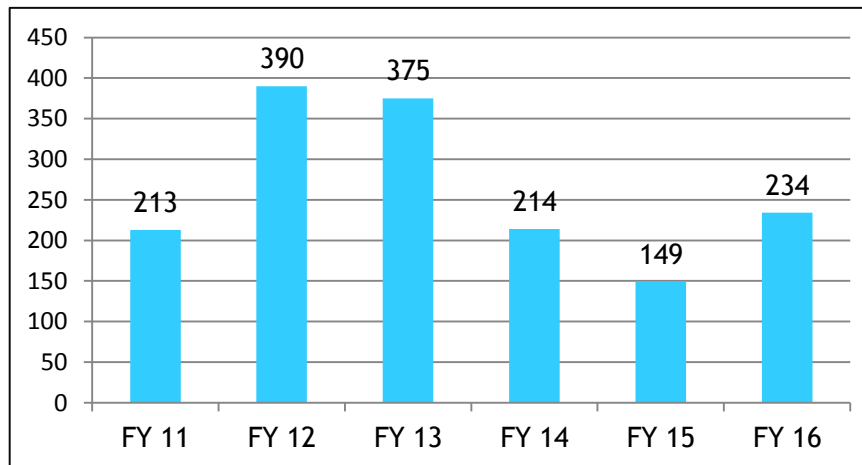
# OPERATIONAL HIGHLIGHTS

- Average daily turnover (ADT) in Q4 FY2016: INR 23,648.73 crore; Market Share of 89.04%\*  
(Corresponding Quarter Q4 FY2015 ADT INR. 21,989.37 crore; Market Share of 87.70%\*)
- Average daily turnover (ADT) in FY2016: INR 21,922.93 crore; Market Share of 84.30%\*  
(Corresponding FY2015 ADT INR. 20,328.26 crore; Market Share of 84.20%\*)
- No. of traded contracts in FY 2016 went up to 234 million from 149 million year-on-year
- Extensive reach: 709<sup>#</sup> members having 49,382 Authorised Persons, 5,85,190 terminals (including CTCL), over 1705 cities/towns across India
- Trading hours (IST): 10:00 hours to 23.30 hours/ 23.55 hours based on US daylight saving time period (winter)

AVERAGE DAILY VOLUME - single side (INR Crore)



VOLUME OF CONTRACTS (Lots in MN)





- Well designed platform that ensures security, reliability flexibility and functionality
- Scalable architecture
  - Capable of handling increase in volumes with the introduction of new instruments like options and indices and participation of Financial Institutions as an when regulator approves
- Handling capacity of 40 million transactions (orders and trades put together) in a day, which is well above the current requirement (Highest capacity handled by the platform so far in a day is 20 million orders and 3.6 million trades)
- Accessible through trader work stations or computer-to-computer link using multiple media of connectivity including:
  - Nationwide Private Network with Point of Presence
  - VSATs, VPN, leased lines and internet
- Real-time data replication to Disaster Recovery (DR) site at New Delhi
  - Upgraded DR site to conduct smooth trading from the site if warranted
- Implementing near on-line site

- Intrusion detection and prevention system
- 48 approved banks and 2 custodians help manage the member collateral deposits.
- 15 clearing banks help manage the funds settlement (daily mark-to-market settlement and delivery) at the in-house clearing house
- 28 Exchange-accredited warehouses and 3 vaults support physical delivery
- Online real-time risk monitoring system and mechanisms track members' financial strength, margin utilisation and mark-to-market losses against deposits made by them to MCX
- Preponing the pay-in time to 9:30 AM from 11:00 AM thereby mitigating the risk of the time gap of the opening of trading session and the pay-in time
- System automatically generates alerts and takes pre-decided actions
- Adequacy of Settlement Guarantee Fund and Investor (Client) Protection Fund is monitored regularly based on FMC (Erstwhile Regulator) guidelines
  - SGF corpus as on March 31, 2016 was Rs. 261.75 crore ((Provisional) cash component of Rs. 187.92 crore and non cash component of Rs. 73.83 crore)
  - IPF corpus of about Rs. 118.65 crore (Provisional) as on March 31, 2016

## **SATYANANDA MISHRA, IAS (Retd.)**

*Chairman, Independent Director,  
FMC Approved*

- Former Information Commissioner, Govt of India
- Handled various assignments in different capacities , Govt of India viz. Secretary, Department of Personnel & Training, Establishment Officer, Principal Secretary, Public Works Department, etc.

## **MS. PRAVIN TRIPATHI**

*Independent Director, FMC  
Nominated*

- Former Deputy Comptroller and Auditor General of India
- Former Member of Competition Appellate Tribunal (COMPAT)

## **DR. M. GOVINDA RAO**

*Independent Director, FMC Approved*

- Presently, Emeritus Professor at National Institute of Public Finance and policy (NIPFP)
- Former Member - 14th Finance Commission & Director of NIPFP
- Former Member- Economic Advisory Council to the Prime Minister

## **DINESH KUMAR MEHROTRA**

*Independent Director, FMC  
Nominated*

- Former Chairman, Life Insurance Corporation
- Former Convener & Member Secretary of Expert Group Committee formed by the Ministry of Finance, Government of India

## **ARUN NANDA**

*Independent Director, FMC Nominated*

- Presently, Chairman of Mahindra Holidays & Resorts (I) Ltd. and Mahindra Lifespace developers Ltd and Director of Holiday Club Resorts Oy, Finland.
- Over 40 years of extensive experience with Mahindra Group.

## **G. ANANTHARAMAN, IRS (Retd.)**

*Independent Director, FMC  
Approved*

- Presently, Special Advisor to the Chairman, Tata Realty & Infrastructure Limited
- Former Chief Commissioner of Income Tax, Mumbai
- Former whole time member of SEBI

## **S. K. MITRA**

*Independent Director, FMC Nominated*

- Currently on the Board of several reputed companies as an Independent Director & Advisor
- Previously associated with Aditya Birla Group, GIC Mutual Fund, Standard Chartered & AMEX in various capacities.
- Over 39 years of extensive management experience in Financial Sector.

## M.A.K. PRABHU

*Shareholder Director*

- Presently, Managing Director (Integrated Treasury Wing) , Canara Bank Securities Ltd.
- Working with Canara Bank since 2001 in various senior capacities.

## AJAI KUMAR

*Shareholder Director*

- Presently, Senior Strategic Advisor - Retail and Business Banking, Yes Bank Ltd.
- Former Chairman & Managing Director, Corporation Bank

## AMIT GOELA

*Shareholder Director*

- Presently, Partner at Rare Enterprises
- Former AVP (Private Equity) Reliance Capital and CEO at Alchemy Share & Stock Brokers
- Over 21 years of experience in Capital Market

## MS. PADMA RAGHUNATHAN

*Shareholder Director*

- Presently, working as Chief General Manager in Finance Department at NABARD
- Has closely worked with the community-centred institutions engaged in upliftment of livelihood prospects of rural poor

## MS. MADHU VADERA JAYAKUMAR

*Shareholder Director*

- An independent investor in Financial Markets
- Former, Founder CEO of E-Commodities Limited
- Over 13 years of experience in Financial Services Industry

## PARVEEN KUMAR SINGHAL

*President & Whole Time Director, MCX*

- Former Division chief- SEBI
- Former Director- FMC
- Former Executive Director & CEO - Delhi Stock Exchange Limited

## PARVEEN KUMAR SINGHAL

*President & Whole Time Director*

- Ex-Division chief - SEBI
- Ex-Director- FMC
- Ex-Executive Director & CEO- Delhi Stock Exchange Limited
- Over 40 years of executive cadre experience

## KRISHNAN VISHWANATHAN

*Chief Regulatory Officer*

- Previously worked with Barclays Shared Services, India
- Over 25 years of experience in the field of regulatory and risk management

## RAMALINGAM M.

*Senior VP, Market Operations*

- Ex-CEO of ISE Securities & Services Ltd.
- Ex- Asst. General Manager of Investor Services of India Ltd.
- Over 25 years of experience in trading, risk management, securities & fund settlement.

## RAJENDRA GOGATE

*VP, HR & Administration*

- Ex-General Manager(Facilities) - TATA Teleservices & Dy. GM - Essar
- Over 32 years of experience in the field of General Administration, Facilities Management.

## AJAY PURI

*Company Secretary, Head IR & CSR*

- Ex-President - Atherstone Capital
- Over 35 years of experience in the field of Company Law, Legal, Secretarial & taxation functions with organisations such as Bharti Telecom, Weston Elektronik, Crowne Plaza Toronto Centre

## RAHI RACHARLA

*Senior VP, Technology*

- Previously worked with JP Morgan, Bangalore
- Over 24 years of experience in the field of technology

## Dr. RAGHAVENDRA PRASAD

*Senior VP, Legal*

- Ex-Deputy Legal Officer - SEBI
- Ex-Legal Officer - RBI
- Over 23 years of experience in the field of legal practice

## SANDEEP KUMAR SARAWGI

*Chief Financial Officer*

- Ex-Chief Finance and Risk Officer - Antwerp Diamond Bank NV, Mumbai Branch
- CA with over 24 years of experience primarily in finance, strategy, general management, etc. with organisations such as ICICI Securities, BSE Ltd.

## NARENDRA KUMAR AHLAWAT

*Senior VP, Market Operations & Chief Regulatory Officer*

- Ex-CTO - MCX-SX
- Over 27 years of experience in market operations; Development & Technology

## J. B. RAM

*Senior VP, Membership & Inspection*

- Ex-Senior VP-Compliance - Edelweiss Capital Limited & CDSL
- Around 29 years of experience with CDSL, UTI and SEBI

## Launched mini contracts in India

- First Exchange in India to launch mini contracts to cater to needs of small traders and SMEs

## Initiated Evening Trading Sessions

- First Exchange in India to initiate evening sessions to synchronise with trading hours of major international markets

## Information Dissemination Services

- Provides real-time data-feed on trading prices, trading volume and other information on the commodity futures contracts traded on MCX and on the spot market to financial information service agencies
- Offers training and certification programmes to educate existing and potential market participants about the industry
- Installs tickers for market data dissemination at local *mandis* to enable tracking price of traded commodity futures

## Clearing House Services

- Set up MCX CCL, a 100% subsidiary, to act as a separate clearing house and undertake clearing and settlement of trades and provision of counterparty risk guarantee on MCX. As on date, MCX CCL has not commenced operations. Currently, clearing and settlement is done in-house

## Developed Real-time Commodity Indices\*

- First Commodity Exchange in India to develop real-time commodity futures index: MCXCOMDEX
- Other indices developed:
  - MCXAgri (Agricultural Commodities Index)
  - MCXEnergy (Energy Commodities Index)
  - MCXMetal (Metal Commodities Index)
  - RAINDEXTM - For Mumbai (RAINDEXTMUM), Indore (RAINDEXTMIDR), and Jaipur (RAINDEXTMJAI)

\* Currently, Indian commodity derivative exchanges are not allowed to offer Commodity Indices for trading.



# INTEGRATED INFRASTRUCTURE AND NETWORK OF ALLIANCES

## GLOBAL ALLIANCES\*



- Facilitate sharing of information across regional global exchanges
- Allow penetration of new markets and increase market presence
- Enhance product offerings

*\*All logos used here are trademarks of respective companies | As on 31 March 2016*

## INDIAN ALLIANCES

- Tie-ups with Indian trade bodies and associations, corporate, educational institutions and R&D centres enable it to engage the stakeholders, improve trade practices, create awareness and facilitate overall improvement of the Indian commodity futures market

The image features a hand typing on a laptop keyboard, which is the central focus. Overlaid on this is a semi-transparent grid of financial data, including various currency exchange rates and commodity prices. The background is a light blue gradient. The text 'FINANCIAL OVERVIEW' is centered in a bold, dark blue font. The overall aesthetic is professional and tech-oriented.

## FINANCIAL OVERVIEW

# FINANCIAL HIGHLIGHTS - FY15-16

## INCOME STATEMENT (STANDALONE)

INR CR, except for per share amounts				
	Q4 FY 2016 (Audited)	Q4 FY 2015 (Audited)	Change Q/Q	
Operating Income	60.51	58.97	3%	
Other Income	22.85	38.83	-41%	
Total Income	<b>83.36</b>	<b>97.80</b>	<b>-15%</b>	
Less : Operating & Other Expenses	41.91	25.61	64%	
EBITDA	<b>41.45</b>	<b>72.19</b>	<b>-43%</b>	
<i>EBITDA Margin</i>	50%	74%	-	
Less: Interest & Depreciation	5.45	6.20	-12%	
Profit before Exceptional items & Tax	<b>36.00</b>	<b>65.99</b>	<b>-45%</b>	
Less : Exceptional items	1.64	-	100%	
Profit/(Loss) after Exceptional items & before tax	<b>34.36</b>	<b>65.99</b>	<b>-48%</b>	
Less : Provision for tax	7.25	16.69	-57%	
Profit after tax	<b>27.11</b>	<b>49.30</b>	<b>-45%</b>	
<i>PAT Margin</i>	33%	50%	-	
Basic EPS* (INR) (Quarterly figures not Annualised)	<b>5.33</b>	<b>9.70</b>	<b>-45%</b>	

# FINANCIAL HIGHLIGHTS - FY15-16

## INCOME STATEMENT (STANDALONE)

INR CR, except for per share amounts			
	FY 2016 (Audited)	FY 2015 (Audited)	Change Y/Y
Operating Income	234.93	222.49	6%
Other Income	97.74	109.78	-11%
Total Income	<b>332.67</b>	<b>332.27</b>	<b>0%</b>
Less : Operating & Other Expenses	158.28	134.91	17%
EBITDA	<b>174.39</b>	<b>197.36</b>	<b>-12%</b>
<i>EBITDA Margin</i>	52%	59%	-
Less: Interest & Depreciation	24.62	27.31	-10%
Profit before Exceptional items & Tax	<b>149.77</b>	<b>170.05</b>	<b>-12%</b>
Less : Exceptional items	66.68	-	100%
Profit/(Loss) after Exceptional items & before tax	<b>83.09</b>	<b>170.05</b>	<b>-51%</b>
Less : Provision for tax	41.26	45.00	-8%
Profit after tax	<b>41.83</b>	<b>125.05</b>	<b>-67%</b>
<i>PAT Margin</i>	13%	38%	-
Basic EPS (INR)	<b>8.23</b>	<b>24.64</b>	<b>-67%</b>

# BALANCE SHEET (STANDALONE)

In Rs. Crore

PARTICULARS	AS ON Mar 31, 16	AS ON Mar 31, 15
EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	51.00	51.00
Reserves & Surplus	1,152.92	1,151.18
SGF	187.93	187.12
Non Current liabilities	28.23	34.28
Current Liabilities	396.72	400.68
<b>TOTAL</b>	<b>1,816.80</b>	<b>1,824.26</b>

PARTICULARS	AS ON Mar 31, 16	AS ON Mar 31, 15
ASSETS		
Fixed Assets	140.11	145.10
Non-current investments & Loans and Advances	253.98	51.40
Total Current Assets	1422.71	1,627.76
- Cash & Cash equivalents included in Total Current Assets	500.27	265.52
	<b>1,816.80</b>	<b>1,824.26</b>

- Net worth of Rs.1,391.85 crore (including SGF) as on March 31, 2016
- Debt Free balance Sheet

As on March 31, 2016, the Exchange held the following investments

Name of Company	Number of Shares	Face value	Value (in Rs. crore)	Number of Warrants	Value (in Rs. crore)
Metropolitan Stock Exchange of India (MSEI) <sup>#</sup>	6,65,99,408	Re. 1/-	5.73	41,59,17,672	41.59
Metropolitan Clearing Corporation of India Ltd <sup>#</sup> (MCCIL)	65,00,000	Rs.10/-	6.50	NA	NA
DGCX	500	USD 1000	2.19	NA	NA
MCX Clearing Corporation Ltd	60,00,000	Rs.10/-	6.00	NA	NA
Mutual Funds	NA	NA	812.25	NA	NA
Tax Free Bonds	NA	NA	199.82	NA	NA

<sup>#</sup> Please refer note no. 4 in Financial Results FY Q4 and FY 2015-16.



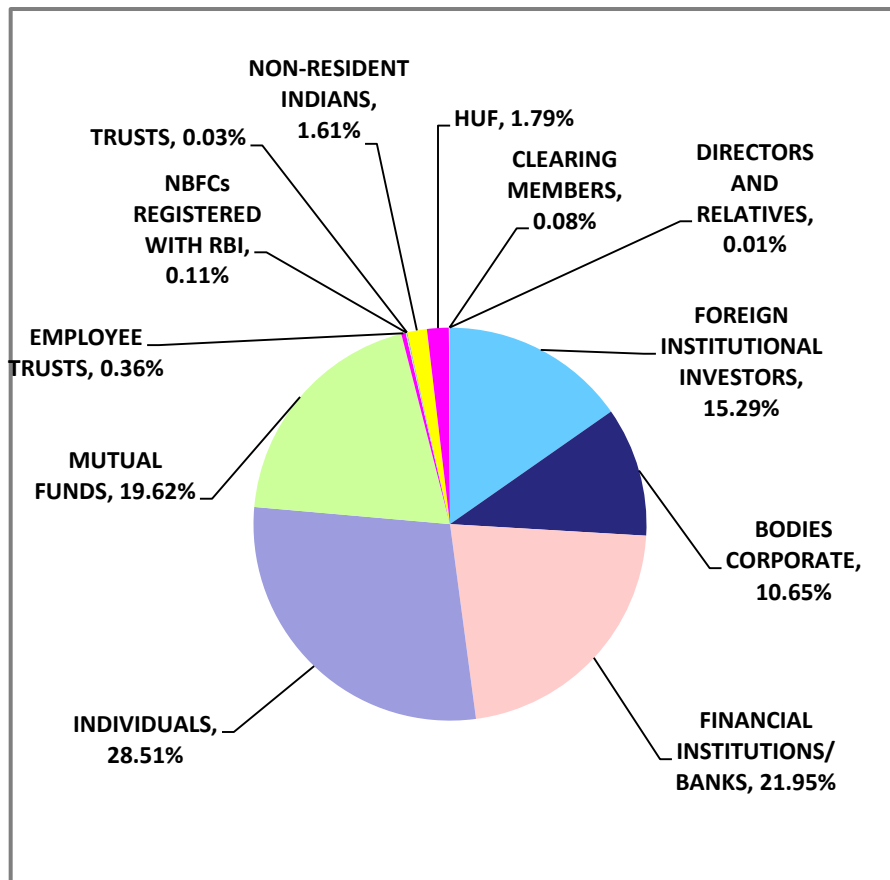
# TRANSACTION CHARGES & AVG. VALUE REALISATION

Non-agri Commodities	
Average Daily Turnover	Transaction Fee Rates (Per Rs. 1 lakh of turnover)
Up to Rs. 350 crore	Rs. 2.10
On incremental turnover above Rs. 350 crore	Rs. 1.40
Agri Commodities	
Up to Rs. 20 crore	Rs. 0.75
On incremental turnover above Rs. 20 crore	Rs. 0.50

Financial year	Average value realisation per lakh Rupee traded
FY-2013-14	1.84
FY-2014-15	1.84
FY 2015-16	1.80

# SHAREHOLDING HIGHLIGHTS

## SHAREHOLDING STRUCTURE AS ON MARCH 31, 2016



## MAJOR SHAREHOLDERS - SHAREHOLDING MORE THAN 1%

Sr. No.	Name of Shareholders	%
1	Kotak Mahindra Bank Limited	15.00
2	Blackstone GPV Capital Partners Mauritius VI FII Ltd.	4.79
3	Axis Mutual Fund*	4.61
4	Jhunjhunwala Rakesh Radheshyam	3.94
5	IDFC Premier Equity Fund	3.73
6	Reliance Mutual Fund*	3.15
7	Small Cap World Fund, Inc	2.45
8	The National Bank for Agriculture & Rural Development	2.10
9	L&T Mutual Fund*	1.88
10	IFCI Limited	1.83
11	ICICI Prudential Mutual Fund*	1.57
12	MAX LIFE INSURANCE COMPANY LIMITED	1.41
13	Goldman Sachs India Fund Limited	1.06
14	HDFC Bank Ltd.	1.03
15	Vanaja Sunder Iyer	1.03

\* Holding under different schemes

[illegible]

# AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED MARCH 31, 2016

Multi Commodity Exchange Of India Limited  
Exchange Square, Suren Road, Andheri (East), Mumbai 400 093  
CIN : L51909MH2002PLC135594; E-mail : info@mcxindia.com; Website: www.mcxindia.com

**MCX**  
METAL & ENERGY  
Trade with Trust

## Statement of Standalone / Consolidated Audited Results for the Quarter and Year Ended 31 March 2016

(Rs. in lakhs)

PARTICULARS	Standalone				Consolidated	
	Quarter Ended		Year Ended		Year Ended	
	31 March 2016 Audited (refer Note 2)	31 December 2015 Unaudited	31 March 2015 Audited (refer Note 2)	31 March 2016 Audited	31 March 2015 Audited	31 March 2015 Audited
1 <b>Income from operations</b>						
(a) Income from operations	5,559.66	4,981.40	5,369.75	21,353.49	20,404.30	21,353.49
(b) Other operating income	490.91	714.87	527.41	2,139.27	1,844.30	2,139.27
<b>Total income from operations</b>	<b>6,050.57</b>	<b>5,696.27</b>	<b>5,897.16</b>	<b>23,492.76</b>	<b>22,248.60</b>	<b>23,492.76</b>
2 <b>Expenses</b>						
(a) Employee benefits expense	1,060.02	998.59	871.86	4,055.42	3,492.50	4,055.42
(b) Depreciation and amortisation expense	544.91	642.31	632.15	2,458.64	2,593.30	2,458.64
(c) Software support charges	945.87	880.43	916.25	3,736.00	3,736.00	3,736.00
(d) Advertisement	583.64	266.50	113.84	1,917.03	1,119.76	1,917.03
(e) Other expenses	1,601.04	1,496.36	659.11	6,119.50	5,040.84	6,119.97
<b>Total Expenses</b>	<b>4,735.48</b>	<b>4,284.19</b>	<b>3,193.21</b>	<b>18,286.59</b>	<b>16,084.40</b>	<b>18,287.06</b>
3 <b>Profit from operations before other income, finance costs and exceptional items (1 - 2)</b>	<b>1,315.09</b>	<b>1,412.08</b>	<b>2,703.95</b>	<b>5,206.17</b>	<b>6,164.20</b>	<b>5,205.70</b>
4 Other income	2,284.58	2,048.32	3,883.40	9,774.20	10,978.50	9,839.50
5 <b>Profit from ordinary activities before finance costs and exceptional items (3 + 4)</b>	<b>3,599.67</b>	<b>3,460.40</b>	<b>6,587.35</b>	<b>14,980.37</b>	<b>17,142.70</b>	<b>15,045.20</b>
6 Finance costs	0.02	0.06	(12.14)	3.78	137.30	3.78
7 <b>Profit from ordinary activities after finance costs but before exceptional items (5 - 6)</b>	<b>3,599.65</b>	<b>3,460.34</b>	<b>6,599.49</b>	<b>14,976.59</b>	<b>17,005.40</b>	<b>15,041.42</b>
8 Exceptional items (refer Note 4)	(164.33)	(563.10)	-	(6,667.63)	-	(6,667.63)
9 <b>Profit from ordinary activities before tax (7 + 8)</b>	<b>3,435.32</b>	<b>2,897.24</b>	<b>6,599.49</b>	<b>8,308.96</b>	<b>17,005.40</b>	<b>8,373.79</b>
10 Tax Expense	724.94	1,101.36	1,669.43	4,126.20	4,500.10	4,134.57
11 <b>Profit from ordinary activities after tax (9 - 10)</b>	<b>2,710.38</b>	<b>1,795.88</b>	<b>4,930.06</b>	<b>4,182.76</b>	<b>12,505.30</b>	<b>4,239.22</b>
12 Extraordinary items (net of tax expense)	-	-	-	-	-	-
13 <b>Net profit for the period (11 + 12)</b>	<b>2,710.38</b>	<b>1,795.88</b>	<b>4,930.06</b>	<b>4,182.76</b>	<b>12,505.30</b>	<b>4,239.22</b>
14 Share of profit of Associate **	-	-	-	-	-	8.58
15 Minority interest	-	-	-	-	-	-
16 <b>Net Profit after taxes, minority interest and share of profit of Associate (13+14-15)</b>	<b>2,710.38</b>	<b>1,795.88</b>	<b>4,930.06</b>	<b>4,182.76</b>	<b>12,505.30</b>	<b>4,247.80</b>
17 Paid-up Equity Share Capital (Face Value Rs. 10 per share)	5,099.84	5,099.84	5,099.84	5,099.84	5,099.84	5,099.84
18 Reserve excluding Revaluation Reserves	-	-	-	1,15,292.27	1,15,117.80	1,15,610.38
19 Earnings per share: (Face Value Rs. 10 per share)						
Basic	5.33*	3.53 *	9.70 *	8.23	24.64	8.36
Diluted	5.33*	3.53 *	9.67 *	8.23	24.63	8.36

\* EPS for the period not annualised

\*\* Associate upto July 1, 2015



# AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED MARCH 31, 2016

Audited Standalone / Consolidated Statement of Assets and Liabilities		(Rs. in lakhs)			
	PARTICULARS	Standalone		Consolidated	
		as at		as at	
		31 March 2016 Audited	31 March 2015 Audited	31 March 2016 Audited	31 March 2015 Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
1	Shareholders' funds				
	(a) Share capital	5,099.84	5,099.84	5,099.84	5,099.84
	(b) Reserves and surplus	1,15,292.27	1,15,117.80	1,15,610.38	1,15,370.80
	Sub-total - Shareholders' funds	1,20,392.11	1,20,217.64	1,20,710.22	1,20,470.64
2	Minority Interest	-	-	-	4.50
	Sub-total - Minority Interest	-	-	-	4.50
3	Settlement Guarantee Fund (SGF)	18,792.50	18,711.60	18,792.50	18,711.60
	Sub-total - Settlement Guarantee Fund (SGF)	18,792.50	18,711.60	18,792.50	18,711.60
4	Non-current liabilities				
	(a) Deferred tax liabilities (net)	485.70	967.10	485.70	967.10
	(b) Other Long term liabilities	2,213.40	2,360.40	2,213.40	2,360.40
	(c) Long-term provisions	123.60	101.20	123.60	101.20
	Sub-total - Non-current liabilities	2,822.70	3,428.70	2,822.70	3,428.70
5	Current liabilities				
	(a) Trade payables	1,879.24	950.40	1,879.40	951.10
	(b) Other current liabilities	33,195.10	31,881.56	33,195.10	31,881.26
	(c) Short-term provisions	4,598.04	7,236.30	4,597.94	7,237.10
	Sub-total - Current liabilities	39,672.38	40,068.26	39,672.44	40,069.46
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>1,81,679.69</b>	<b>1,82,426.20</b>	<b>1,81,997.86</b>	<b>1,82,684.90</b>
<b>B</b>	<b>ASSETS</b>				
1	Non-current assets				
	(a) Fixed assets	14,010.98	14,510.20	14,010.98	14,510.20
	(b) Non-current investments	22,300.97	1,318.50	21,700.97	718.50
	(c) Long-term loans and advances	3,096.70	3,821.50	3,096.70	3,821.50
	Sub-total - Non-current assets	39,408.65	19,650.20	38,808.65	19,050.20
2	Current assets				
	(a) Current investments	85,107.33	1,27,946.80	86,021.30	1,28,794.10
	(b) Trade receivables	419.11	1,065.40	419.11	1,065.40
	(c) Cash and bank balances	50,027.20	26,551.80	50,031.40	26,563.20
	(d) Short-term loans and advances	2,678.50	4,559.00	2,678.50	4,559.00
	(e) Other current assets	4,038.90	2,653.00	4,038.90	2,653.00
	Sub-total - Current assets	1,42,271.04	1,62,776.00	1,43,189.21	1,63,634.70
	<b>TOTAL - ASSETS</b>	<b>1,81,679.69</b>	<b>1,82,426.20</b>	<b>1,81,997.86</b>	<b>1,82,684.90</b>

# AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED MARCH 31, 2016

## Notes:

1. The above audited annual financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on May 5, 2016.
2. The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and published year to date figures up to the third quarter of the respective financial years.
3. For the fiscal year 2016, the Board has recommended a final dividend of Rs 6.50/- per equity share of face value Rs. 10/- each (i.e. 65%) subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.
4. Exceptional items include :
  - (i) The Company, along with Financial Technologies (India) Limited (FTIL), an erstwhile anchor investor/promoter of the Company, held equity shares and warrants in Metropolitan Stock Exchange of India Limited (MSEI), (formerly MCX-Stock Exchange). As per the applicable SEBI regulations, MSEI was required to adjust its shareholding pattern so as to bring it within the limits prescribed by the SEBI regulations within the time prescribed, i.e. June 19, 2015. Towards this end, the Company made serious efforts to dispose off the warrants. However, these efforts were significantly hampered by several factors that reduced the marketability of MSEI's warrants, such as consistently reducing market share and net worth which reduced the value and demand for MSEI's shares and warrants. This made it difficult to dispose off the warrants. Since these factors were outside the Company's control, the Company approached SEBI seeking an extension of time to dispose off the warrants. Also, in view of the merger of the SEBI and the FMC, the Company also requested SEBI to consider treating the Company on par with recognized Stock Exchanges so that the Company could hold upto 15% shareholding/warrants in MSEI. SEBI, however, did not grant the Company's request. Despite these factors, the Company continued to make vigorous efforts to dispose off the warrants. The Company's efforts, however, were thwarted by MSEI, who announced a rights issue of equity shares on May 29, 2015 at par i.e. at Re.1 per share. Since the rights issue remained open until July 9, 2015, it was virtually impossible to dispose off all the warrants before June 19, 2015. Apprehending that MSEI would cancel the warrants and misappropriate the deposit placed by the Company with MSEI against the warrants, the Company filed a Suit against MSEI before the Hon'ble Bombay High Court seeking an injunction against cancellation of the warrants and appropriation of the deposit. The Company also sought refund of the amount of Rs.4,159.18 lakhs, being the amount of deposit presently held by MSEI against the warrants. Vide its interim orders dated July 9, 2015 and July 10, 2015, the Hon'ble High Court restrained MSEI from cancelling and / or extinguishing the warrants or any rights relating thereto, and from dealing in any manner with the remaining deposit of Rs.4,159.18 lakhs till further orders. The Hon'ble Court also restrained MSEI from taking any steps in pursuance of any Board resolution that MSEI may have passed for cancellation of the warrants. By a further order dated August 3, 2015, the Hon'ble Court recorded MSEI's statement that MSEI would deposit a sum of Rs.2,000 lakhs in Court within a period of four weeks, on a without prejudice basis, to establish its bona fides. The matter was heard on October 8, 2015 and the order pronounced on October 13, 2015. The Hon'ble Court, inter alia, has held that although the Company may have been



# AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED MARCH 31, 2016

deprived of its rights to trade the warrants for shares or trade the warrants for consideration after June 19, 2015 this does not mean that the extinguishment of the warrants would entail appropriation of the deposit. The Hon'ble Court has also held that the money admittedly belongs to the Company and there is no provision in law or in contract whereby MSEI could appropriate the money towards its own capital reserves. In view of the above, the Hon'ble Court has concluded that it would not be desirable to allow MSEI to retain the deposit pending trial of the Suit. Accordingly, the Hon'ble Court has made the Company's Notice of Motion absolute and directed MSEI to deposit an additional sum of Rs.2,159.18 lakhs to the credit of the suit account, within a period of eight weeks from the date of the Order. Thus, the total amount deposited by MSEI would be equal to Rs.4,159 lakhs. This amount is to be invested in a fixed deposit with a nationalized bank pending hearing of the Suit ("October 13 Order").

On December 9, 2015, MSEI filed Appeal No. (L) 927 of 2015 before a Division Bench of the Bombay High Court against the October 13 Order. MSEI also filed Notice of Motion (L) No.3471 of 2015 seeking a stay on the operation and implementation of the October 13 Order, pending final hearing and disposal of the Appeal inter alia on the grounds that (a) the Company was aware that it had to divest its excess shareholding in the form of Warrants by June 19, 2015; (b) MSEI was required to ensure compliance of applicable laws and regulations, and thus only cancelled the warrants as otherwise it apprehended being derecognized by SEBI; (c) MSEI had established its bona fides by not acting on its Board Resolution dated June 27, 2015 and also by depositing a sum of Rs.2000 lakhs with the Bombay High Court; and (d) Given that the Company's warrants have not been cancelled and MSEI has been restrained from implementing its Board Resolution dated June 27, 2015, MSEI cannot be additionally called upon to deposit a further Rs.2,159 lakhs in Court. The matter was listed on 17.02.2016, for hearing on the Notice of Motion filed in the said appeal. On December 10, 2015, MSEI also filed Notice of Motion (L) 3486 of 2015 in the Suit before the Single Judge seeking a vacation of the October 13 Order on the ground that MSEI has now passed a resolution withdrawing their earlier resolution of cancellation.

Vide an interim order dated December 11, 2015, the Division Bench extended the time given to MSEI for deposit of the amount of Rs.2,159 lakhs till the next date of hearing. As the matter is yet to be heard on merits, this interim order granting further time to MSEI to deposit the money has been extended from time to time. In March, 2016, the assignment of the Judges changed and the matter was listed before a different Bench. However, in view of the fact that the earlier Division Bench had already heard the matter and was aware of the facts, both parties made a representation to the Ld. Chief Justice of the Bombay High Court seeking assignment of the matter to the same Division Bench. The parties are still awaiting necessary directions from the Ld. Chief Justice for re-assignment of the matter.

In view of the above, the Company has valued the warrants at its face value of Re.1 each and brought down the carrying cost by Rs.4,258.90 lakhs. As the Company was only able to sell 148,277,938 warrants to various parties/entities at bids below its carrying cost, a loss of Rs.1,348.30 lakhs was incurred on the sale of these warrants. Further, based on the market price determined on a weighted average basis for the sale of warrants by MCX, the equity shares have been brought to the lower of cost and this aforesaid market value. This is as per the Company's Accounting Policy on current investments and accordingly a provision of Rs.333.00 lakhs has been made. The aggregate loss, diminution and provision of Rs.5,940.20 lakhs on account of the investments in MSEI are exceptional in nature and were accordingly disclosed in the financial results for the quarter ended June 30, 2015. Further provision of Rs.164.33 lakhs has been made in quarter ended March 31, 2016 towards equity

# AUDITED FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED MARCH 31, 2016

shares investments as per Company's Accounting Policy. The aggregate loss, diminution and provision on account of the investments in MSEI for FY 2015-16 is Rs.6,104.53 lakhs. As at March 31, 2016, the Company held 6,65,99,408 equity shares of MSEI (valued at Rs.572.50 lakhs at the rate of Rs.0.86 per share) and 41,59,17,672 warrants of MSEI (valued at Rs.4,159.20 lakhs) and 65,00,000 equity shares of Metropolitan Clearing Corporation of India Limited (MCCIL) (formerly known as MCX-SX Clearing Corporation Limited (valued at Rs.650.00 lakhs).

- (ii) Pursuant to the compliance of regulatory inspection, certain penalties pertaining to financial years 2010-11 and 2011-12 amounting to Rs 194.00 lakhs have been transferred, during the quarter and nine months ended December 31, 2015, to Multi Commodity Exchange Investor (Client) Protection Fund (IPF) . Further, similar penalties for earlier years pertaining to financial years 2007-08 to 2009-2010 amounting to Rs. 369.10 lakhs have also been transferred to IPF. Accordingly, during the quarter and nine months ended December 31, 2015 a total amount of Rs. 563.10 lakhs have been transferred to IPF and disclosed as an exceptional item.
- 5. In accordance with the regulatory guidelines, the Company has conducted stress test for the quarter ended March 31, 2016, to determine adequacy of the Settlement Guarantee Fund (SGF). The SGF being adequate, no fresh contributions from the profits have been made during the current quarter under review.
- 6. The Company's business activity falls within a single segment viz. 'Commodity Exchange'.
- 7. Previous period/year's figures have been regrouped / reclassified wherever necessary, to conform to current period/year presentation.

Place: Mumbai  
Date: May 5, 2016

For Multi Commodity Exchange of India Limited

  
Satyananda Mishra



# AUDITED FINANCIAL RESULTS FOR YEAR ENDED MARCH 31, 2016

## Multi Commodity Exchange of India Limited

Exchange Square, Suren Road, Andheri (East), Mumbai 400 093, India. | [www.mcxindia.com](http://www.mcxindia.com) | CIN: L51909MH2002PLC135594 | Email id: [info@mcxindia.com](mailto:info@mcxindia.com)



## Trade and Hedge on India's no.1 Commodity Futures Exchange

### Extract of Audited Financial Results for the Year Ended 31 March 2016

PARTICULARS	Standalone				Consolidated	
	Quarter ended 31 March 2016 Audited	Quarter ended 31 March 2015 Audited	FY 2015-16 Audited	FY 2014-15 Audited	FY 2015-16 Audited	FY 2014-15 Audited
1 Total income from operations (net)	6,050.57	5,897.16	23,492.76	22,248.60	23,492.76	22,248.60
2 Net Profit from ordinary activities after tax	2,710.38	4,930.06	4,182.76	12,505.30	4,247.80	12,576.69
3 Net Profit for the period after tax (after Extraordinary items)	2,710.38	4,930.06	4,182.76	12,505.30	4,247.80	12,576.69
4 Equity Share Capital	5,099.84	5,099.84	5,099.84	5,099.84	5,099.84	5,099.84
5 Reserves (excluding Revaluation Reserve as shown in the Balance Sheet of previous year)			1,15,292.27	1,15,117.80	1,15,610.38	1,15,370.80
6 Earnings Per Share (before extraordinary items) (of ₹10/- each) *						
Basic :	5.33	9.70	8.23	24.64	8.36	24.78
Diluted:	5.33	9.67	8.23	24.63	8.36	24.77
7 Earnings Per Share (after extraordinary items) (of ₹10/- each) *						
Basic :	5.33	9.70	8.23	24.64	8.36	24.78
Diluted :	5.33	9.67	8.23	24.63	8.36	24.77

\* Earnings per share for the interim period is not annualised.

#### Notes:

- The above is an extract of the detailed format of Yearly Financial Results filed with BSE under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Yearly Financial Results are available on BSE's website at [www.bseindia.com](http://www.bseindia.com) and on the Company's website at [www.mcxindia.com](http://www.mcxindia.com).
- The above audited annual financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on May 5, 2016.

For Multi Commodity Exchange of India Limited  
sd/-  
**Satyananda Mishra**  
Chairman

Place: Mumbai | Date: May 5, 2016



# THANK YOU

## INVESTOR RELATIONS CONTACT:

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