

Statement of Standalone Financial Results for the Quarter and Six Month Ended September 30, 2014

(₹ in lakhs except per share data)

Sr. No.	Particulars	Quarter Ended			Six Month Ended		Year Ended
		30.09.14 Reviewed	30.06.14 Reviewed	30.09.13 Reviewed	30.09.14 Reviewed	30.09.13 Reviewed	31.03.14 Audited
	PART I						
1	Income from operation						
	(a) Operating income	664.49	1,072.13	2,628.61	1,736.62	6,071.59	9,182.69
	Total Income from operation	664.49	1,072.13	2,628.61	1,736.62	6,071.59	9,182.69
2	Expenditure						
	(a) Operating expenses	829.76	1,074.17	3,677.21	1,903.93	7,128.73	11,391.80
	(b) Employee benefits expense	455.73	635.54	891.69	1,091.27	1,710.88	3,040.48
	(c) Depreciation and amortisation expense	362.27	352.07	596.38	714.34	1,129.25	2,217.24
	(d) Advertisement and business promotion expenses	1.41	7.78	2,047.61	9.19	3,313.04	5,579.40
	(e) Other expenses	504.47	478.23	1,576.75	982.70	2,634.19	4,090.31
	Total Expenditure	2,153.64	2,547.79	8,789.64	4,701.43	15,916.09	26,319.23
3	Profit/ (Loss) from Operations before Other Income, Finance cost and Exceptional Items (1-2)	(1,489.15)	(1,475.66)	(6,161.03)	(2,964.81)	(9,844.50)	(17,136.54)
4	Other Income	290.66	293.12	621.36	583.78	1,253.73	1,973.05
5	Profit/ (Loss) before Finance Costs and Exceptional Items (3+4)	(1,198.49)	(1,182.54)	(5,539.67)	(2,381.03)	(8,590.77)	(15,163.49)
6	Finance Costs	0.00	0.96	3.22	0.96	3.83	4.71
7	Profit/ (Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	(1,198.49)	(1,183.50)	(5,542.89)	(2,381.99)	(8,594.60)	(15,168.20)
8	Exceptional items	-	-	-	-	285.00	285.00
9	Profit / (Loss) from ordinary activities before tax (7-8)	(1,198.49)	(1,183.50)	(5,542.89)	(2,381.99)	(8,879.60)	(15,453.20)
10	Tax expense (Net of MAT credit)	-	-	-	-	-	-
11	Net Profit/ (Loss) for the period/year (9-10)	(1,198.49)	(1,183.50)	(5,542.89)	(2,381.99)	(8,879.60)	(15,453.20)
12	Paid-up Equity Share Capital (Equity Shares of ₹ 1/- each)(refer note 2 & 3)	5,529.51	5,529.51	5,392.52	5,529.51	5,392.52	5,392.52
13	Reserves excluding revaluation reserves	-	-	-	-	-	6,617
14	Earnings Per Share of Re 1/- each (In ₹)(not annualised)						
	(a) Basic	(0.22)	(0.21)	(1.03)	(0.44)	(1.65)	(2.87)
	(b) Diluted	(0.22)	(0.21)	(1.03)	(0.44)	(1.65)	(2.87)
	PART II						
	PARTICULARS OF SHAREHOLDINGS						
15	Public shareholding						
	- Number of shares	558,383,776	558,383,776	490,355,400	558,383,776	490,355,400	544,685,400
	- Percentage of shareholding	100.00	100.00	90.03	100.00	90.03	100.00
16	Promoters and Promoter Group Shareholding						
	(a) Pledged / Encumbered						
	- Number of Shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of the promoters and promoter group)	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil
	(b) Non - encumbered						
	- Number of Shares	Nil	Nil	54,330,000	Nil	54,330,000	Nil
	- Percentage of Shares (as a % of the total shareholding of the Promoters and Promoter group)	Nil	Nil	100.00	Nil	100.00	Nil
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	9.97	Nil	9.97	Nil
	PART III						
	INVESTOR COMPLAINTS FOR THE QUARTER ENDED SEPTEMBER 30, 2014						
	Pending at the beginning of the quarter		NIL				
	Received during the quarter		NIL				
	Responded during the quarter		NIL				
	Pending at the end of the quarter		NIL				

Unaudited Standalone Statement of Assets and Liabilities

(₹ in lakhs)

Sr. No.	Particulars	As at September 30, 2014 (Unaudited)		As at March 31, 2014 (Audited)	
A	EQUITIES AND LIABILITIES				
1	Shareholders' Fund				
	(a) Share capital	5,529.51		5,392.52	
	(b) Reserves and surplus	10,387.12	15,916.63	6,617.46	12,009.98
2	Share application money pending allotment		-		2,716.50
3	Non Refundable Interest Free Deposits Against Warrants		6,341.70		11,966.30
			22,258.33		26,692.78
4	Non-Current Liabilities				
	(a) Other long-term liabilities		874.00		1,386.00
5	Current Liabilities				
	(a) Trade payables	1,710.70		1,340.83	
	(b) Other current liabilities	7,253.49		7,084.32	
	(c) Short-term provisions	126.29	9,090.48	107.89	8,533.04
	TOTAL EQUITY AND LIABILITIES		32,222.81		36,611.82
B	ASSETS				
1	Non-Current Assets				
	(a) Fixed Assets		8,874.71		9,289.63
	(b) Non-current investments		1,280.00		1,280.00
	(c) Long-term loans and advances		5,526.51		4,115.59
			15,681.22		14,685.22
2	Current Assets				
	(a) Current investments	2,914.68		1,850.92	
	(b) Trade receivables	251.48		658.13	
	(c) Cash and bank balances	9,878.32		13,308.03	
	(d) Short-term loans and advances	3,120.68		5,256.95	
	(e) Other current assets	376.43	16,541.59	852.57	21,926.60
	TOTAL ASSETS		32,222.81		36,611.82

NOTES:

- The above unaudited financial results of the Company for the quarter ended September 30, 2014 have been approved by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on November 4, 2014 and subjected to a limited review by statutory auditors.
- The paid-up equity share capital in item no. 12 of the above results is net of 5,433,000 equity shares held by MCX Stock Exchange ESOP Trust.
- The Board had at meeting held on August 14, 2014, after perusing a legal opinion, decided to treat the warrants held by FTIL as extinguished and of no effect whatsoever, in view of FTIL having failed to divest the same within the time allowed in the Securities and Exchange Board of India's Order dated March 19, 2014 read with the Securities Appellate Tribunal's order dated July 9, 2014. Consequently the Board also decided to transfer an amount of Rs. 5624.60 Lakhs standing as non-refundable interest free deposit against the same to the capital reserve, which has been implemented on the said date.
- The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (SECC Regulations) requires every recognised stock exchange to credit 25% of its profits every year to the settlement guarantee fund (SGF) of the recognised clearing corporation(s) which clears and settle trades executed on that exchange. The Company had made a representations to SEBI vide its letter dated July 8, 2014 requesting for set off of previously accumulated loss prior to transferring portion of profits to the SGF. The amount of Rs. 535.56 Lakhs in respect of earlier period continues to be not provided in the financial results pending final reply from SEBI.
- The SEBI has renewed the recognition of the Company as a stock exchange for a period of one year vide letter dated September 15, 2014. The said renewal is subject to the conditions as also mentioned in SEBI's press release PR No. 111/2014 dated September 15, 2014.
- The auditor had in their report on the financial statements for the quarter ended September, 2014 expressed certain qualifications which are reproduced below along with the Company's comments on the same:
 - The Company has not provided infrastructure and software support expenses amounting to Rs.11.35 Crores payable pursuant to various long term contracts executed with erstwhile promoter of the company since the company is in negotiation with the erstwhile promoter. Accordingly, the fundamental accounting assumption of accrual basis of accounting has not been followed to that extent. Had such expenses been provided for, the Net Loss would have been higher by the said amount. The said amount has not been provided as the new management of the Company has decided to review all such contracts to ensure that charges paid for infrastructure and software support services are comparable to those paid by other exchanges in similar line of business and negotiations are on with FTIL regarding the same.
 - The company continues to prepare its Financial Statements on going concern basis, even though its net-worth has been substantially eroded due to losses incurred during the previous year/quarter and in the current quarter. The Company believes that going concern assumption is justified as:
 - The Exchange has discontinued various support services and rationalising other services thereby reducing the technology and operating cost to a large extent.
 - Steps have been taken to reduce the operating cost by discontinuing the Liquidity Enhancement Scheme with effect from April 10, 2014.
 - With regulators implementing industry friendly policies the Exchange will see growth in its turnover and in turn in its operating revenue.
 - The Exchange, in the earlier years, entered into various contracts with few parties mentioned in the Register maintained under Section 301 of the Companies Act, 1956, the management is in the process of reviewing such contracts/charges to establish their reasonableness for similar line of business. The adjustments, if any, that will be arising out of such review, are not readily quantifiable.
 - Based on a SEBI order affirmed by the Securities Appellate Tribunal (SAT), the Company has decided to treat the warrants held by Financial Technologies (India) Limited (FTIL) as extinguished and of no effect whatsoever on account of their continuance to hold the same post lapse of the time limits specified by SEBI/SAT. Consequently, the Company has transferred an amount of Rs.56.25 Crores standing as Non Refundable Interest Free Deposits against Warrants issued to FTIL, erstwhile promoter, to the Capital Reserve. The Auditor has pointed out that FTIL has disputed the extinguishment of the warrants. The company had obtained legal opinion and accordingly treated the warrants held by FTIL as extinguished and of no effect whatsoever and also transferred the aforesaid amount to the capital reserve. "
- Previous period/year figures have been re-grouped, re-arranged and re-classified wherever necessary, to make them comparable with those of the current quarter.

For and on Behalf of Board of Directors
MCX Stock Exchange Ltd.

Sd/-
Saurabh Sarkar
Managing Director & CEO