

Metropolitan Stock Exchange of India Limited

(Formerly known as MCX Stock Exchange Limited)

 Regd. Office: 4th Floor, Vibgyor Tower, Plot No - C62, G Block, Opp. Trident Hotel,
Bandra Kurla Complex, Bandra (East), Mumbai- 400098, INDIA | CIN: U65999MH2008PLC185856

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2016

(` in Lacs except per share data)

Sr. No.	Particulars	Standalone			
		For the Quarter Ended			For the Year Ended
		30.06.2016 Reviewed	31.03.2016 Unaudited	30.06.15 Reviewed	31.03.16 Audited
		1	2	3	4
	PART I				
1	Income from operations	602.52	564.87	612.55	2,268.21
	Total Income from operations	602.52	564.87	612.55	2,268.21
2	Expenditure				
	(a) Operating expenses	300.70	45.41	898.53	2,555.82
	(b) Employee benefits expense	369.98	309.16	418.70	1,530.11
	(c) Depreciation and amortisation expense	340.23	341.02	351.13	1,398.83
	(d) Advertisement and business promotion expenses	84.02	3.52	16.38	36.32
	(e) Other expenses	362.31	232.96	467.96	1,660.01
	Total Expenditure	1,457.24	932.07	2,152.70	7,181.09
3	Profit/ (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(854.72)	(367.20)	(1,540.15)	(4,912.88)
4	Other Income	163.58	156.14	295.12	932.44
5	Profit/ (Loss) before Finance Costs and Exceptional Items (3+4)	(691.14)	(211.06)	(1,245.04)	(3,980.44)
6	Finance Costs	10.19	21.20	2.66	24.89
7	Profit/ (Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	(701.33)	(232.26)	(1,247.70)	(4,005.33)
8	a) Exceptional items (refer note 7)	-	-	-	41.35
	b) Prior Period Items	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	(701.33)	(232.26)	(1,247.70)	(4,046.68)
10	Tax expense (Net of MAT credit)	-	-	-	-
11	Net Profit/ (Loss) for the period (9-10)	(701.33)	(232.26)	(1,247.70)	(4,046.68)
12	Paid-up Equity Share Capital (Equity Shares of ` 1/- each.) (refer note 4)	19,416.77	19,416.77	13,115.94	19,416.77
13	Reserves excluding revaluation reserves	-	-	-	(2,914.61)
14	Earnings Per Share of Re 1/- each (In `) (Not Annualised)				
	(a) Basic	(0.04)	(0.01)	(0.11)	(0.25)
	(b) Diluted	(0.04)	(0.01)	(0.11)	(0.25)

NOTES:

- The above unaudited financial results of the Company for the quarter ended June 30, 2016 have been approved by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on August 6, 2016.
- The figures of last quarter ended March 2016 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the previous financial year.
- The Company is engaged in the Business of Stock Exchange and there are no separate reportable segments as per accounting standard (AS-17) on Segment Reporting."
- The paid-up equity share capital in item no. 12 of the above results is net of 4,992,291 equity shares of Rs 1 each held by MCX Stock Exchange ESOP Trust.
- The Board at the meeting held on June 27, 2015 decided to treat 41,59,17,672 warrants held by Multi Commodity Exchange Of India Limited (MCX) 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. MCX had filed a case in Suit No. 685 of 2015 against the Exchange claiming this amount along with interest and damages, wherein the Hon'ble Court passed an order accepting the undertaking of the Exchange that an amount of Rs.20 Crores would be deposited with the Prothonotary & Senior Master, Mumbai. Accordingly an amount of Rs.20 crores was duly deposited by the Exchange on September 7, 2015. Vide its order dated October 13, 2015, the Hon'ble High Court directed the Exchange to deposit a further sum of Rs. 21 crores (Approx). Being aggrieved by this Order, the Exchange has preferred an Appeal (L) No. 927 of 2015, on 9 December 2015. The said Appeal is pending hearing in the Hon'ble Bombay High Court and the time to deposit the further sum of Rs. 21 crores has been extended until the next date of hearing. The Board at its meeting held on December 10, 2015 withdrew its resolution passed on June 27, 2015 regarding extinguishment of warrants held by MCX as the warrants are still effectively in existence pursuant to the order of the Bombay High Court, and also due to amendment to the SECC Regulations giving commodity derivative exchange such as MCX, status of a deemed stock exchange enabling it to hold 15% shareholding. Accordingly no impact is given in the financials towards the same. The management is confident that the said matter will be resolved in a reasonable time."
- The auditor in their review report on the unaudited financial statements for the year period ended June 30, 2016 expressed certain qualification which are summarised below along with the Company's comments on the same: A) The auditors have expressed that the Company continues to prepare its Financial Statements on going concern basis, even though it has continued to incur losses during the current quarter and there is no clarity on increase in volume and the required funding for its continued business. The company has started working on its detailed plan for turn around and is confident of raising further required funds in the coming year, increase volume and make profits in future years and hence prepared the accounts on going concern basis including not carrying out the impairment testing to ascertain carrying value of fixed assets, etc. and also the sum of Rs.36.79 Crores and Rs.1.86 Crores towards Service tax set-off and MAT Credit is considered as recoverable. The Company believes that the going concern assumption is justified since the company is implementing its transformational and strategic business plan which addresses all aspects of business revival and financial viability. The market share of the company has increased from 3% to 9% in June quarter. The company is in the process of raising equity capital through Rights Issue and the same shall be completed in the September quarter. The company forecasts complete utilisation of the service tax credit in next few years. B) The company, in the earlier years, entered into various contracts with the parties mentioned in the register maintained under Section 301 of the Companies Act, 1956 to whom amounts have been paid as Infrastructure, software and software support charges during the said years in respect of which no alternative quotations are / were available. As informed by the Management, they have already renegotiated few of such contracts and are in the process of reviewing other such contracts / charges to establish their reasonableness for similar line of business. We are unable to comment on the adjustments, if any, that will be arising out of such review. The management is reviewing the same.
- Exceptional Items in previous financial year represent the amount of 41.35 Lacs contributed by the Company towards Core Settlement Guarantee Fund maintained by Metropolitan Clearing Corporation of India Limited.
- Previous year figures has 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 of
Metropolitan Stock Exchange of India Limited
(Formerly known as MCX Stock Exchange Limited)

 Sd/-
Udai Kumar
Managing Director & CEO

 Place : Mumbai
Dated : August 6, 2016