

THE EXCHANGE FOR A CHANGING INDIA

# 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 AND YEAR ENDED 31.03.2016

(₹ in Lacs except per share data)

Sr. No.	Particulars	Standalone				Consolidated		
		For the Quarter Ended		For the Year Ended		For the Year Ended		
		31.03.2016 Unaudited	31.12.2015 Reviewed	31.03.15 Unaudited	31.03.16 Audited	31.03.15 Audited	31.03.16 Audited	
	<b>PART I</b>	1	2	3	4	5		
1	<b>Income from operations</b>	564.87	524.81	810.66	2,268.21	3,208.41	1,430.29	2,043.92
	<b>Total Income from operations</b>	<b>564.87</b>	<b>524.81</b>	<b>810.66</b>	<b>2,268.21</b>	<b>3,208.41</b>	<b>1,430.29</b>	<b>2,043.92</b>
2	<b>Expenditure</b>							
	(a) Operating expenses	45.41	706.44	905.13	2,555.82	3,796.09	1,904.35	2,810.17
	(b) Employee benefits expense	309.16	395.61	459.52	1,530.11	2,054.00	1,747.32	2,367.26
	(c) Depreciation and amortisation expense	341.02	352.88	351.03	1,398.83	1,424.41	1,410.13	1,440.22
	(d) Advertisement and business promotion expenses	3.52	11.66	(1.31)	36.32	10.81	36.32	10.81
	(e) Other expenses	232.96	368.06	475.52	1,660.01	1,916.05	1,813.79	2,032.04
	<b>Total Expenditure</b>	<b>932.07</b>	<b>1,834.65</b>	<b>2,189.87</b>	<b>7,181.09</b>	<b>9,201.37</b>	<b>6,911.91</b>	<b>8,660.50</b>
3	<b>Profit/ (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)</b>	<b>(367.20)</b>	<b>(1,309.84)</b>	<b>(1,379.21)</b>	<b>(4,912.88)</b>	<b>(5,992.96)</b>	<b>(5,481.62)</b>	<b>(6,616.58)</b>
4	Other Income	156.14	195.85	275.04	932.44	1,087.42	1,575.25	1,815.94
5	<b>Profit/ (Loss) before Finance Costs and Exceptional Items (3+4)</b>	<b>(211.06)</b>	<b>(1,114.00)</b>	<b>(1,104.17)</b>	<b>(3,980.44)</b>	<b>(4,905.54)</b>	<b>(3,906.37)</b>	<b>(4,800.64)</b>
6	Finance Costs	21.20	-	0.19	24.89	1.16	24.89	1.18
7	<b>Profit/ (Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)</b>	<b>(232.26)</b>	<b>(1,114.00)</b>	<b>(1,104.36)</b>	<b>(4,005.33)</b>	<b>(4,906.69)</b>	<b>(3,931.26)</b>	<b>(4,801.82)</b>
8	a) Exceptional items (refer note 9)	-	-	-	41.35	-	41.35	-
	b) Prior Period Items	-	-	-	-	1,105.52	-	1,071.67
9	<b>Profit / (Loss) from ordinary activities before tax (7-8)</b>	<b>(232.26)</b>	<b>(1,114.00)</b>	<b>(1,104.36)</b>	<b>(4,046.68)</b>	<b>(6,012.21)</b>	<b>(3,972.61)</b>	<b>(5,873.49)</b>
10	Tax expense (Net of MAT credit)	-	-	-	-	-	-	-
11	<b>Net Profit/ (Loss) for the period (9-10)</b>	<b>(232.26)</b>	<b>(1,114.00)</b>	<b>(1,104.36)</b>	<b>(4,046.68)</b>	<b>(6,012.21)</b>	<b>(3,972.61)</b>	<b>(5,873.49)</b>
12	Minority Interest in Income/(Loss)	-	-	-	-	-	13.00	67.46
13	<b>Net Profit/ (Loss) after taxes and minority interest (11-12)</b>	<b>(232.26)</b>	<b>(1,114.00)</b>	<b>(1,104.36)</b>	<b>(4,046.68)</b>	<b>(6,012.21)</b>	<b>(3,985.61)</b>	<b>(5,940.94)</b>
14	Paid-up Equity Share Capital ( Equity Shares of ₹ 1/- each.) (refer note 4)	19,416.77	19,415.36	11,582.80	19,416.77	11,582.80	19,416.77	11,582.80
15	Reserves excluding revaluation reserves	-	-	-	(2,914.61)	1,132.08	(1,436.29)	2,448.15
16	Earnings Per Share of Re 1/- each ( In ₹ ) (Not Annualised)							
	(a) Basic	(0.01)	(0.06)	(0.10)	(0.25)	(0.52)	(0.24)	(0.88)
	(b) Diluted	(0.01)	(0.06)	(0.10)	(0.25)	(0.52)	(0.24)	(0.88)

## STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

Sr. No.	Particulars	Standalone		Consolidated	
		As at March 31, 2016 (Audited)	As at March 31, 2015 (Audited)	As at March 31, 2016 (Audited)	As at March 31, 2015 (Audited)
<b>A</b>	<b>EQUITIES AND LIABILITIES</b>				
1	<b>Shareholders' Fund</b>				
	(a) Share capital	19,416.77	11,582.80	19,416.77	11,582.80
	(b) Reserves and surplus	(2,914.61)	1,132.08	(1,436.29)	17,980.48
	<b>2 Non Refundable Interest Free Deposits Against Warrants</b>	<b>4,159.33</b>	<b>5,916.01</b>	<b>4,159.33</b>	<b>5,916.01</b>
	<b>Minority Interest</b>	<b>20,661.49</b>	<b>18,630.89</b>	<b>22,139.81</b>	<b>19,946.96</b>
	<b>3 Non-Current Liabilities</b>				
	(a) Other long-term liabilities	4,631.41	6,223.44	7,217.43	8,572.82
	(b) Long Term Provisions	47.43	44.43	54.30	53.27
	<b>4 Current Liabilities</b>				
	(a) Short term borrowings	502.08	-	502.08	-
	(b) Trade payables	941.37	450.71	943.37	454.98
	(c) Other current liabilities	2,853.41	1,667.79	7,654.50	6,771.40
	(c) Short-term provisions	10.63	30.39	11.61	31.55
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>29,647.82</b>	<b>27,047.65</b>	<b>39,840.83</b>	<b>37,279.22</b>
<b>B</b>	<b>ASSETS</b>				
1	<b>Non-Current Assets</b>				
	(a) Fixed Assets	6,985.88	8,312.52	6,992.62	8,330.50
	(b) Non-current investments	5,778.50	1,278.50	-	-
	(c) Long-term loans and advances	5,506.99	6,392.10	6,435.98	7,158.10
	<b>2 Current Assets</b>				
	(a) Current investments	465.15	1,599.41	3,675.47	5,848.47
	(b) Trade receivables	189.42	85.33	33.12	74.21
	(c) Cash and bank balances	7,024.24	7,512.24	18,326.97	13,505.14
	(d) Short-term loans and advances	3,372.47	1,445.20	3,683.01	1,726.05
	(e) Other current assets	325.17	422.35	693.66	26,412.23
	<b>TOTAL ASSETS</b>	<b>29,647.82</b>	<b>27,047.65</b>	<b>39,840.83</b>	<b>37,279.22</b>

### NOTES:

- The above audited financial results of the Company for the quarter and year ended March 31, 2016 have been approved by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 22, 2016.
- The figures of last quarter 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 current 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. 14 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 report on the audited financial statements for the year ended March 31, 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 continued to prepare its Financial Statements on going concern basis, even though it has continued to incur

losses during the current year and there is no clarity on increase in volume and required funding in the future for its continued business. The company has however raised required funds during the current year and 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.36.31 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 financial projections indicate EBITDA break even in six quarters and bottom-line neutral in eight quarters. The turnaround strategy in its early stage of implementation has already yielded results. The company continues to maintain network above the regulatory requirements and is executing the new business plan through effective management of its operations and cash flows. All business investments necessary are being carried out and all contractual obligations are being met on time. Exchange's ADTV is projected to grow at over 50% CAGR over the next three years. As such, the company is confident that all cenvat credits available shall also be used in coming 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.

- During the year, the company has issued 60,75,88,017 equity shares of Rs.1 each under rights issue in the ratio of 1:1 at par.
- During the year, the Company has made investments of Rs.45 Crores in 4,50,00,000 Equity Shares of Metropolitan Clearing Corporation of India Limited (MCCIL) (formerly known as MCX SX Clearing Corporation Ltd) at par at Rs.10 each.
- Exceptional Items represent the amount of 41.35 Lacs contributed by the Company towards Core Settlement Guarantee Fund maintained by Metropolitan Clearing Corporation of India Limited.
- The Consolidated accounts have been prepared as per Accounting Standard (AS) 21 on Consolidated Financial Statements notified in the Companies (Accounting Standard) Rules 2006.
- Previous year figures has been re-grouped, re-arranged and re-classified wherever necessary, to make them comparable with those of the current quarter.

## AUDITED CONSOLIDATED SEGMENT INFORMATION FOR THE YEAR ENDED MARCH 31, 2016

Primary Segment			
Business Segments: (₹ in lakhs)			
Sr. No.	Particulars	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>I</b>	<b>SEGMENT REVENUE</b>		
	(a) Trading Services	2,268.21	3,434.05
	(b) Clearing Services	651.97	1,246.39
	<b>Total</b>	<b>2,920.17</b>	<b>4,680.44</b>
	Less : Inter Segment Revenue	1,489.89	2,636.51
	<b>Total Income</b>	<b>1,430.29</b>	<b>2,043.92</b>
<b>II</b>	<b>SEGMENT RESULTS</b>		
	(a) Trading Services	(4,836.26)	(7,033.22)
	(b) Clearing Services	(607.19)	(619.45)
	<b>Profit / (Loss) before Interest and Taxation</b>	<b>(5,443.45)</b>	<b>(7,652.67)</b>
	Less : Interest	(24.89)	(1.18)
	Add : Unallocable Income	1,495.72	1,780.36
	<b>Profit / (loss) before Taxation</b>	<b>(3,972.61)</b>	<b>(5,873.49)</b>
	Less : Provision for Taxation (Net)	-	-
	<b>Profit / (loss) after Taxation</b>	<b>(3,972.61)</b>	<b>(5,873.49)</b>
	Less : Minority Interest	13.00	67.46
	<b>Profit/ (loss) for the year</b>	<b>(3,985.61)</b>	<b>(5,940.94)</b>
<b>III</b>	<b>CAPITAL EMPLOYED</b>		
	<b>(Segment Assets - Segment Liabilities)</b>		
	(a) Trading Services	4,621.97	4,870.31
	(b) Clearing Services	(6,488.25)	(6,786.79)
	(c) Unallocable	25,366.15	23,311.68
	<b>Total Capital Employed</b>	<b>23,499.87</b>	<b>21,395.20</b>

**Secondary Segment**  
Since all the activities of the company are predominantly conducted in India, there are no separate reportable geographical segments.

**Note on Consolidated Segment Information:**  
In accordance with AS-17 "Segment Reporting", the Company has two reportable segments, Trading Services and Clearing Services. Segments have been identified and reported taking into account nature of services, management structure and system of financial reporting. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.  
a) Revenues and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenues and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable."  
b) Segment assets and segment liabilities represent assets and liabilities in respective segments.

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 : May 22, 2016