

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 Unaudited Standalone Financial Results for the Quarter and Six Month Ended September 30, 2016

(₹ in lakhs except per share data)

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.16 Reviewed	30.06.16 Reviewed	30.09.15 Reviewed	30.09.16 Reviewed	30.09.15 Reviewed	31.03.16 Audited
	PART I	1	2	3	4	5	6
1	Income from operations	573.80	602.52	565.97	1,176.32	1,178.52	2,268.21
	Total Income from operations	573.80	602.52	565.97	1,176.32	1,178.52	2,268.21
2	Expenditure						
	(a) Operating expenses	524.59	300.70	905.43	825.29	1,803.96	2,555.82
	(b) Employee benefits expense	349.66	369.98	406.65	719.64	825.35	1,530.11
	(c) Depreciation and amortisation expense	342.88	340.23	353.80	683.11	704.93	1,398.83
	(d) Advertisement and business promotion expenses	97.07	84.02	4.76	181.09	21.14	36.32
	(e) Other expenses	420.76	362.31	591.03	783.08	1,058.99	1,660.01
	Total Expenditure	1,734.97	1,457.24	2,261.67	3,192.21	4,414.36	7,181.09
3	Profit/ (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(1,161.17)	(854.72)	(1,695.70)	(2,015.89)	(3,235.85)	(4,912.88)
4	Other Income	411.93	163.58	285.32	575.51	580.44	932.44
5	Profit/ (Loss) before Finance Costs and Exceptional Items (3+4)	(749.25)	(691.14)	(1,410.38)	(1,440.39)	(2,655.40)	(3,980.44)
6	Finance Costs	8.61	10.19	1.03	18.80	3.69	24.89
7	Profit/ (Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	(757.85)	(701.33)	(1,411.40)	(1,459.19)	(2,659.09)	(4,005.33)
8	a) Exceptional items (refer note 5)	-	-	41.35	-	41.35	41.35
	b) Prior Period Items	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7-8)	(757.85)	(701.33)	(1,452.75)	(1,459.19)	(2,700.44)	(4,046.68)
10	Tax expense (Net of MAT credit)	-	-	-	-	-	-
11	Net Profit/ (Loss) for the period (9-10)	(757.85)	(701.33)	(1,452.75)	(1,459.19)	(2,700.44)	(4,046.68)
12	Paid-up Equity Share Capital (Equity Shares of ₹1/- each.) (refer note 4)	23,751.70	19,416.77	19,415.36	23,751.70	19,415.36	19,416.77
13	Reserves excluding revaluation reserves	-	-	-	-	-	(2,914.61)
14	Earnings Per Share of Re 1/- each (In ₹) (Not Annualised)						
	(a) Basic	(0.03)	(0.04)	(0.09)	(0.07)	(0.20)	(0.25)
	(b) Diluted	(0.03)	(0.04)	(0.09)	(0.07)	(0.20)	(0.25)
	PART II						
	PARTICULARS OF SHAREHOLDINGS						
15	Public shareholding						
	- Number of shares	2,380,161,906	1,946,669,121	1,946,669,121	2,380,161,906	1,946,669,121	1,946,669,121
	- Percentage of shareholding	100.00	100.00	100.00	100.00	100.00	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	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
	PART III						
	Investor Complaints for the quarter ended September 30, 2016.						
	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

Sr. No.	Particulars	Standalone (₹ in lakhs)			
		As at September 30, 2016 (Unaudited)		As at March 31, 2016 (Audited)	
A	EQUITIES AND LIABILITIES				
1	Shareholders' Fund				
	(a) Share capital	23,751.70		19,416.77	
	(b) Reserves and surplus	(4,373.79)		(2,914.61)	
	(c) Non Refundable Interest Free Deposits Against Warrants	0.15	19,378.05	4,159.33	20,661.49
2	Warrant application money pending allotment		34.31		-
3	Non-Current Liabilities				
	(a) Other long-term liabilities	4,068.03		4,631.41	
	(b) Long term provision	63.63	4,131.65	47.43	4,678.84
4	Current Liabilities				
	(a) Short term borrowings	661.61		502.08	
	(b) Trade payables	581.01		941.37	
	(c) Other current liabilities	4,252.70		2,853.41	
	(d) Short term provisions	24.70	5,520.02	10.63	4,307.49
	TOTAL EQUITY AND LIABILITIES		29,064.04		29,647.82
B	ASSETS				
1	Non-Current Assets				
	(a) Fixed Assets	6,869.90		6,985.88	
	(b) Non-current investments	7,565.96		5,778.50	
	(c) Long term loans and advances	5,522.37		5,506.99	
			19,958.22		18,271.37
2	Current Assets				
	(a) Current investments	764.39		465.15	
	(b) Trade receivables	95.30		189.42	
	(c) Cash and bank balances	7,099.70		7,024.24	
	(d) Short term loans and advances	952.76		3,372.47	
	(e) Other current assets	193.66	9,105.81	325.17	11,376.45
	TOTAL ASSETS		29,064.04		29,647.82

NOTES:

- The above unaudited financial results of the Company for the quarter ended September 30, 2016 have been approved by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on November 15, 2016.
- The figures of the current quarter ended September 2016 are the balancing figures between reviewed figures in respect of the first half financial year 2016 and the published figures for the first 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. 12 of the above results is net of 4,992,291 equity shares of Rs 1 each held by MCX Stock Exchange ESOP Trust.
- 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.
- SEBI letter No. MRD/DSA/MSEI/OW/25885/2016 dated September 15, 2016 renewed the recognition granted to the Stock Exchange for a period of one year commencing on the 16th day of September 2016 and ending on 15th day of September 2017
- During the quarter company has paid application money of Rs.17.87 Crores for 1,78,74,616 Equity Shares of Metropolitan Clearing Corporation of India Limited (MCCIL) (formerly known as MCX SX Clearing Corporation Ltd) at par at Rs.10 each. Subsequently, on October 09, 2016 MCCIL allotted 1,78,74,616 equity shares at par of Rs.10 each.
- Pursuant to out of court settlement between MSEI and MCX in suit no.685 of 2015 vide consent terms dated August 24, 2016, 26,51,77,600 warrants held by Multi Commodity Exchange of India Limited was converted into 26,51,77,600 Equity shares of Re.1/- each and Cancellation and Extinguishment of 15,07,40,072 warrants held by Multi Commodity Exchange of India Limited.
Parties have complied with Clause 6 of the Consent Terms. Accordingly, pursuant to Clause 7 of the Consent Terms read with the Order dated August 24, 2016, an application was made to Prothonotary & Sr. Master to release the amount of Rs.20 crores along with interest if any, which has been deposited by Metropolitan Stock Exchange of India Limited in the following manner:
1. Rs.15,07,40,072/- in favour of the Multi Commodity Exchange of India Limited. ("MCX")
2. Rs.4,92,59,928/- in favour of MSEI; and
3. Interest accrued on the Deposit Amount from the date of deposit till the date of release, in favour of MSEI. The Exchange has received said amount of Rs.4,92,59,928/- along with interest of Rs1,35,68,969/- on October 14, 2016.
- The Board at its Meeting held on August 6, 2016 had offered to its eligible shareholders on Rights Basis (a) 973,334,552 equity shares of Re.1 each per equity share at par value in the ratio of one equity share for every two equity shares (1:2) held on the Record Date i.e. August 10, 2016 with (b) optional entitlement of 243,333,614 warrants at a price of Re.1 per warrant in the ratio of one warrant for every four equity shares (1:4) which an eligible shareholder is entitled to as part of the Rights issue. The Rights Issue opened on August 23, 2016 and closed on September 20, 2016. The Exchange had received 433 valid applications under the Rights Issue subscribing to 276,802,733 equity shares and 18,135,140 warrants. The Board at its Meeting held on September 24, 2016 allotted 168,315,185 equity shares (having face value of Re.1 per share) at a price of Re. 1 per share against payment of Rs.168,315,185 received by MSEI and 6,862,589 warrants (having face value of Re.1 per warrant) at Re.1 per warrant (50% of the amount paid on application and remaining 50% of the amount payable on conversion) with paid up value of Re.0.50 per warrant against payment of Rs.3,431,295 received by MSEI. The Warrants issued shall be converted into equity shares on payment of the balance amount of Re.0.50 and receipt of the application for conversion from the warrant holder within one month of the expiry of 12 months period from the date of allotment of the warrants. The issued warrants shall be eligible for conversion on and after September 24, 2017. An amount of Rs.114,134,696.50 had been refunded to the shareholders who could not be allotted shares and warrants applied by them due to the shareholding exceeding 5% of the paid up capital of the Company and to the shareholders who had made excess payments against the number of shares / warrants applied. The unsubscribed portion after the above allotment was 805,019,367 equity shares. The Board has vide its Resolution dated November 11, 2016, allotted 9,730,000 equity shares to 58 applicants out of the unsubscribed portion of the Rights Issue.
- The auditor in their report on the unaudited financial statements for the period ended September 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 clear plan for required increase in business volume and the funding in future for its continued business. The company is however working on its detailed clarity on turn around and is confident of raising further funds in the coming year, increase the 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.37.49 Crores and Rs.1.86 Crores towards Service tax set-off and MAT Credit is considered as recoverable. We are unable to comment on the same and the adjustments, if any, that will be arising out of the same. 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 6% to 9% in September quarter. The company has raised equity capital for its business needs in the quarter and forecasts complete utilisation of the service tax cenvat 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 renegotiated 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.

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: November 15, 2016