

Metropolitan Stock Exchange of India 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 JUNE 30, 2017

(₹ in Lakh except per share data)

Sr. No.	Particulars	Standalone			
		For the Quarter Ended		For the Year Ended	
		June 30,2017 Unaudited	March 31, 2017 Unaudited	June 30,2016 Unaudited	March 31, 2017 Audited
1	Income from operations	270.59	529.63	602.52	2,128.73
	Total Income from operations	270.59	529.63	602.52	2,128.73
2	Expenditure				
	(a) Operating expenses	530.16	572.69	300.70	1,941.70
	(b) Employee benefits expense	399.95	364.34	369.98	1,474.96
	(c) Depreciation and amortisation expense	357.81	355.65	340.23	1,392.68
	(d) Advertisement and business promotion expenses	263.93	148.31	84.02	405.30
	(e) Other expenses	550.81	344.89	362.31	1,440.44
	Total Expenditure	2,102.66	1,785.89	1,457.24	6,655.08
3	Profit/ (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(1,832.07)	(1,256.26)	(854.72)	(4,526.35)
4	Other Income	127.35	274.95	163.58	1,144.95
5	Profit/ (Loss) from Ordinary Activities before Finance Costs and Exceptional Items (3+4)	(1,704.72)	(981.31)	(691.14)	(3,381.40)
6	Finance Costs	-	0.00	10.19	29.67
7	Profit/ (Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)	(1,704.72)	(981.31)	(701.33)	(3,411.07)
8	Exceptional items	-	-	-	-
9	Profit / (Loss) from Ordinary Activities before Tax (7-8)	(1,704.72)	(981.31)	(701.33)	(3,411.07)
10	Tax expense	-	-	-	-
11	Net Profit/ (Loss) for the period (9-10)	(1,704.72)	(981.31)	(701.33)	(3,411.07)
12	Paid-up Equity Share Capital (Equity Shares of ₹ 1/- each.) (refer note 4 & 6)	27,648.86	24,595.56	19,416.77	24,595.56
13	Reserves excluding revaluation reserves	-	(6,325.67)	-	(6,325.67)
14	Earnings Per Share of Re 1/- each (In Rs) (Not Annualised)				
	(a) Basic	(0.06)	(0.04)	(0.04)	(0.16)
	(b) Diluted	(0.06)	(0.04)	(0.04)	(0.16)

NOTES:

- The above unaudited financial results of the Company for the quarter and year ended June 30, 2017 have been approved by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on August 11, 2017.
- The figures of the last quarter ended March 2017 are the balancing figures between audited figures in respect of the financial year 2016-17 and the reviewed figures for the first nine months of the financial year 2016-17.
- 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 49,77,671 equity shares of Rs 1 each held by Metropolitan Stock Exchange Esop Trust.
- The Board at its Meeting held on August 6, 2016 had offered to its eligible shareholders on Rights Basis (a) 97,33,34,552 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 24,33,33,614 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.
Out of the subscription received the Board at its Meeting held on September 24, 2016 allotted 16,83,15,185 equity shares (having face value of Re.1 per share) at a price of Re. 1 per share and 68,62,589 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.
The unsubscribed portion after the above allotment was 80,50,19,367 equity shares. Subsequently, the Board has allotted 8,43,72,008 equity shares to 199 applicants out of unsubscribed portion of the Rights Issue on various dates up to March 31, 2017. Further, the board has allotted 30,53,30,000 equity shares out of the unsubscribed portion of the Rights Issue as on June 30, 2017. The balance unsubscribed portion as on June 30, 2017 stood at 41,53,17,359 (*) equity Shares. The paid up capital of the Exchange after the said allotments stood at 2,76,98,63,914 as on June 30, 2017.
- Post the quarter ended June 30, 2017, the Board made further allotments of 41,53,17,359 equity Shares in the month of July and with the said allotments the balance unsubscribed portion of the Rights Issue has been fully subscribed and allotted.
- 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 form 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.
- Post the quarter ended June 30, 2017, Exchange has paid application money of Rs.6,21,63,750 for 62,16,375 Equity Shares of Metropolitan Clearing Corporation of India Limited (MCCIL) at par at Rs.10 each. Subsequently on August 10, 2017 MCCIL allotted 62,16,375 equity shares at par of Rs.10 each.
- Losses in the current quarter have gone up as compared to the previous quarter mainly because of one time write off of cenvat credit of Rs.129 Lakh being ineligible to carry forward under GST rules, reduction in listing processing fees by Rs.99 Lakh, increase in advertisement and business promotion expenses of Rs. 116 Lakh and interest of Rs.131 Lakh on IT refund received in the previous quarter.
- On February 16, 2015, The Ministry of corporate affairs (MCA) notified the Companies (Indian Accounting Standards) Rules 2015 laying down road map for the application of Ind-AS to companies. The road map for Ind-AS implementation to be done in a phased manner. As per this, listed companies and companies whose net worth is greater than Rs.250 crore need to implement Ind-AS in FY 2017-18. At present the Exchange does not fall under these two criterias. However, as per section 35 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2012 - The disclosure requirements and corporate governance norms as specified for listed companies shall mutatis mutandis apply to a recognised stock exchange and a recognised clearing corporation.
The Exchange is in the process of implementing Ind-AS and the same will be complied during the quarter ending September 30, 2017
- The auditor in their review report on the unaudited financial statements for the period ended June 30, 2017 expressed certain qualification which are summarised below along with the Company's comments on the same:
 - 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 required increase in business volume and the funding in future for its continued business. The company is however working on its detailed plan for 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.34.82 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 Exchange with eminent Board members is spearheading the revival of its business with a strong vision for implementing an alternative development model for the Indian securities market. The Exchange believes that the going concern assumption is justified since the Exchange is implementing its transformational and strategic business plan which addresses all aspects of business revival and financial viability. During the current year, the Exchange has increased its equity capital by Rs.72.06 crore and has invested Rs.6.21 crore in its subsidiary to meet regulatory requirement. New branding and business promotion initiatives have been undertaken. The Exchange and its subsidiary MCCIL have required net-worth. It also has sufficient cash liquidity and demonstrated capability of raising fresh capital every year for the business needs. Management is therefore justified in preparing the financial statements on going concern basis.
Company expects improved revenue earnings in the future years and hence is of the view that the unutilized service tax credit will be fully utilized in future years and the same is considered as good for recovery
 - 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 in 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.
- 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
Metropolitan Stock Exchange of India Limited

Sd/-
Udai Kumar
Managing Director and CEO

Place : Mumbai
Dated : August 11, 2017