

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 AND YEAR ENDED MARCH 31, 2017

(₹ in Lacs except per share data)

| Sr. No. | Particulars | Standalone | | | | | Consolidated | |
|---------|--|-------------------------|------------------------|-------------------------|-----------------------|---------------------|-----------------------|-----------------------|
| | | For the Quarter Ended | | For the Year Ended | | | For the Year Ended | |
| | | 31.03.2017 Unaudited | 31.12.2016 Reviewed | 31.03.2016 Unaudited | 31.03.2017 Audited | 31.03.16 Audited | 31.03.2017 Audited | 31.03.2016 Audited |
| | PART I | 1 | 2 | 3 | 4 | 5 | | |
| 1 | Income from operations | 529.63 | 422.78 | 564.87 | 2,128.73 | 2,268.21 | 1,758.70 | 1,430.29 |
| | Total Income from operations | 529.63 | 422.78 | 564.87 | 2,128.73 | 2,268.21 | 1,758.70 | 1,430.29 |
| 2 | Expenditure | | | | | | | |
| | (a) Operating expenses | 572.69 | 543.71 | 45.41 | 1,941.70 | 2,555.82 | 1,874.31 | 1,904.35 |
| | (b) Employee benefits expense | 364.34 | 390.98 | 309.16 | 1,474.96 | 1,530.11 | 1,695.84 | 1,747.32 |
| | (c) Depreciation and amortisation expense | 355.65 | 353.92 | 341.02 | 1,392.68 | 1,398.83 | 1,394.89 | 1,410.13 |
| | (d) Advertisement and business promotion expenses | 148.31 | 75.89 | 3.52 | 405.30 | 36.32 | 405.30 | 36.32 |
| | (e) Other expenses | 344.89 | 312.47 | 232.96 | 1,440.44 | 1,660.01 | 1,536.86 | 1,813.79 |
| | Total Expenditure | 1,785.89 | 1,676.98 | 932.07 | 6,655.08 | 7,181.09 | 6,907.21 | 6,911.91 |
| 3 | Profit/ (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2) | (1,256.26) | (1,254.20) | (367.20) | (4,526.35) | (4,912.89) | (5,148.51) | (5,481.62) |
| 4 | Other Income | 274.95 | 294.49 | 156.14 | 1,144.95 | 932.44 | 1,928.53 | 1,575.25 |
| 5 | Profit/ (Loss) before Finance Costs and Exceptional Items (3+4) | (981.31) | (959.70) | (211.06) | (3,381.40) | (3,980.45) | (3,219.98) | (3,906.37) |
| 6 | Finance Costs | 0.00 | 10.87 | 21.20 | 29.67 | 24.89 | 29.67 | 24.89 |
| 7 | Profit/ (Loss) from Ordinary Activities after Finance Costs but before Exceptional Items (5-6) | (981.31) | (970.57) | (232.26) | (3,411.07) | (4,005.34) | (3,249.65) | (3,931.26) |
| 8 | a) Exceptional items (refer note 9) | - | - | - | - | 41.35 | - | 41.35 |
| | b) Prior Period Items | - | - | - | - | - | - | - |
| 9 | Profit / (Loss) from ordinary activities before tax (7-8) | (981.31) | (970.57) | (232.26) | (3,411.07) | (4,046.69) | (3,249.65) | (3,972.61) |
| 10 | Tax expense (Net of MAT credit) | - | - | - | - | - | - | - |
| 11 | Net Profit/ (Loss) for the period (9-10) | (981.31) | (970.57) | (232.26) | (3,411.07) | (4,046.69) | (3,249.65) | (3,972.61) |
| 12 | Minority Interest in Income/(Loss) | - | - | - | - | - | 21.05 | 13.00 |
| 13 | Net Profit/ (Loss) after taxes and minority interest (11-12) | (981.31) | (970.57) | (232.26) | (3,411.07) | (4,046.69) | (3,270.70) | (3,985.61) |
| 14 | Paid-up Equity Share Capital (Equity Shares of ₹ 1/- each.) (refer note 4) | 24,595.56 | 23,951.40 | 19,416.77 | 24,595.56 | 19,416.77 | 24,595.56 | 19,416.77 |
| 15 | Reserves excluding revaluation reserves | - | - | - | - | (2,914.61) | (4,683) | (1,436) |
| 16 | Earnings Per Share of Re 1/- each (In ₹) (Not Annualised) | | | | | | | |
| | (a) Basic | (0.04) | (0.04) | (0.01) | (0.16) | (0.25) | (0.15) | (0.24) |
| | (b) Diluted | (0.04) | (0.04) | (0.01) | (0.16) | (0.25) | (0.15) | (0.24) |

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 27,68,02,733 equity shares and 1,81,35,140 warrants.

Out of the subscription received, an amount of Rs.11,41,34,696.50 had been refunded to the shareholders who could not be allotted shares and warrants applied by them fully due to the shareholding exceeding 5% of the paid up capital of the Company and also to the shareholders who had made excess payments against the number of shares / warrants applied.

11 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 against payment of Rs.16,83,15,185 received by MSEI 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 against payment of Rs.34,31,295 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.

12 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. The paid up capital of the Exchange after the said allotments stood at 2,45,95,56,243 as on March 31, 2017.

Further, board has allotted 4,59,80,000 equity shares to 30 applicants out of unsubscribed portion of the Rights Issue on April 24, 2017.

13 The Consolidated accounts have been prepared as per Accounting Standard (AS) 21 on Consolidated Financial Statements notified in the Companies (Accounting Standard) Rules 2006.

14 Preparation of Financial Statement on Going ConcernThe company continues to prepare its Financial Statements on going concern basis, even though it has continued to incur losses during the current quarter / year 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.35.14 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.

No alternative quotes for contracts with erstwhile promoter

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.

STATEMENT OF ASSETS AND LIABILITIES

| Sr. No. | Particulars | Standalone | | Consolidated | |
|----------|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | As at March 31, 2017 (Audited) | As at March 31, 2016 (Audited) | As at March 31, 2017 (Audited) | As at March 31, 2016 (Audited) |
| A | EQUITIES AND LIABILITIES | | | | |
| 1 | Shareholders' Fund | | | | |
| | (a) Share capital | 24,595.56 | 19,416.77 | 24,595.56 | 19,416.77 |
| | (b) Reserves and surplus | (6,325.67) | (2,914.61) | (4,683.46) | (1,436.29) |
| | (c) Non Refundable Interest Free Deposits Against Warrants | 0.15 | 4,159.33 | 0.15 | 4,159.33 |
| | | 18,270.04 | 20,661.49 | 19,912.25 | 22,139.80 |
| 2 | Warrant application money pending allotment | 34.31 | - | 34.31 | - |
| 3 | Minority Interest | - | - | 1,315.25 | 1,317.73 |
| 4 | Non-Current Liabilities | | | | |
| | (a) Other long-term liabilities | 5,077.40 | 4,631.41 | 6,957.19 | 7,217.43 |
| | (b) Long Term Provisions | 32.33 | 47.43 | 44.27 | 54.30 |
| | | 5,109.73 | 4,678.84 | 7,001.46 | 7,271.73 |
| 5 | Current Liabilities | | | | |
| | (a) Short term borrowings | - | 502.08 | - | 502.08 |
| | (b) Trade payables | 556.60 | 941.37 | 551.77 | 943.37 |
| | (c) Other current liabilities | 3,117.22 | 2,853.41 | 7,476.00 | 7,654.50 |
| | (d) Short-term provisions | 27.30 | 3,701.12 | 33.70 | 4,307.49 |
| | | 3,701.12 | 10.63 | 8,061.47 | 11.61 |
| | TOTAL EQUITY AND LIABILITIES | 27,115.20 | 29,647.82 | 36,324.75 | 39,840.82 |
| B | ASSETS | | | | |
| 1 | Non-Current Assets | | | | |
| | (a) Fixed Assets | 6,539.94 | 6,985.88 | 6,542.05 | 6,992.61 |
| | (b) Non-current investments | 8,158.42 | 5,778.50 | - | - |
| | (c) Long-term loans and advances | 5,552.01 | 5,506.99 | 6,172.90 | 6,435.98 |
| | (d) Other non-current assets | 5,580.52 | - | 19,604.98 | 32,319.92 |
| | | 25,830.89 | 18,271.37 | 32,319.92 | 11,252.66 |
| 2 | Current Assets | | | | |
| | (a) Current investments | 261.79 | 465.15 | 1,726.45 | 3,675.47 |
| | (b) Trade receivables | 80.23 | 189.42 | 60.64 | 33.12 |
| | (c) Cash and bank balances | 399.12 | 7,024.24 | 459.59 | 7,074.31 |
| | (d) Short-term loans and advances | 445.10 | 3,372.47 | 1,096.68 | 3,683.01 |
| | (e) Other current assets | 98.07 | 1,284.31 | 661.47 | 4,004.83 |
| | | 1,284.31 | 325.17 | 4,004.83 | 693.66 |
| | TOTAL ASSETS | 27,115.20 | 29,647.82 | 36,324.75 | 39,840.82 |

NOTES:

- The above audited financial results of the Company for the quarter and year ended March 31, 2017 have been approved by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on May 13, 2017.
 - The figures of the current 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.
 - Exceptional Items in previous financial year represent the amount of Rs.41.35 lacs contributed by the Company towards Core Settlement Guarantee Fund maintained by Metropolitan Clearing Corporation of India Limited as per SEBI circular no. CIR/MRD/DMNRP/25/2014 dated August 27, 2014.
 - 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 year the exchange has invested in its subsidiary Metropolitan Clearing Corporation of India Limited (MCCIL) (formerly known as MCX SX Clearing Corporation Ltd), Rs 17.87 Crores by subscribing to 1,78,74,616 fully paid up equity shares of Rs.10 each on October 9, 2016 and Rs 5.93 crores by subscribing to 59,30,000 fully paid up equity shares of Rs.10 each on November 1,2016, at par at Rs.10 each.
 - Pursuant to out of court settlement in suit no.685 of 2015 vide consent letter dated August 24, 2016 between MSEI and MCX, 26,51,77,600 warrants held by Multi Commodity Exchange of India Limited were converted into 26,51,77,600 Equity shares of Re.1/- each and further 15,07,40,072 warrants held by Multi Commodity Exchange of India Limited were cancelled and extinguished.
- 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:
- Rs.15,07,40,072/- in favour of the Multi Commodity Exchange of India Limited. ("MCX")
 - Rs.4,92,59,928/- in favour of MSEI; and
 - 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.
- 10 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

AUDITED CONSOLIDATED SEGMENT INFORMATION FOR THE YEAR ENDED MARCH 31, 2017
Primary Segment

Business Segments:

| Sr. No. | Particulars | Year Ended March 31, 2017 | Year Ended March 31, 2016 |
|------------|---|---------------------------|---------------------------|
| I | SEGMENT REVENUE | | |
| | (a) Trading Services | 2,128.73 | 2,268.21 |
| | (b) Clearing Services | 68.38 | 651.97 |
| | Total | 2,197.11 | 2,920.17 |
| | Less : Inter Segment Revenue | 438.41 | 1,489.89 |
| | Total Income | 1,758.70 | 1,430.29 |
| II | SEGMENT RESULTS | | |
| | (a) Trading Services | (4,455.56) | (4,836.26) |
| | (b) Clearing Services | (671.64) | (607.19) |
| | Profit / (Loss) before Interest and Taxation | (5,127.20) | (5,443.45) |
| | Less : Interest | (29.67) | (24.89) |
| | Add : Unallocable Income | 1,907.22 | 1,495.72 |
| | Profit / (loss) before Taxation | (3,249.65) | (3,972.62) |
| | Less : Provision for Taxation (Net) | - | - |
| | Profit / (loss) after Taxation | (3,249.65) | (3,972.62) |
| | Less : Minority Interest | 21.05 | 13.00 |
| | Profit/ (loss) for the year | (3,270.70) | (3,985.62) |
| III | CAPITAL EMPLOYED | | |
| | (Segment Assets - Segment Liabilities) | | |
| | (a) Trading Services | 4,318.48 | 4,621.97 |
| | (b) Clearing Services | (4,993.97) | (6,488.25) |
| | (c) Unallocable | 21,937.31 | 25,323.81 |
| | Total Capital Employed | 21,261.82 | 23,457.53 |

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.

- 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".
- 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

 Sd/-
Udai Kumar
 Managing Director & CEO

 Place : Mumbai
 Dated : May 13, 2017