



METROPOLITAN STOCK EXCHANGE

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

Standalone Statement of Financial Results for the Quarter and Nine Month Ended December 31, 2017

(₹ in lakhs except per share data)

Sr. No.	Particulars	For the Quarter Ended			For the Nine Month ended		For the Year Ended
		Dec 31,2017 Unaudited	Sept 30,2017 Unaudited	Dec 31,2016 Unaudited	Dec 31,2017 Unaudited	Dec 31,2016 Unaudited	March 31, 2017 Audited
I	Revenue from operations	198.68	173.31	415.17	608.22	1,315.77	1,704.70
II	Other Income	103.56	144.33	283.62	394.67	853.88	1,105.61
III	Total Income	302.24	317.64	698.79	1,002.89	2,169.66	2,810.31
IV	Expenses						
	(a) Operating expenses	211.21	398.64	536.10	1,105.65	1,085.68	1,517.67
	(b) Employee benefits expense	451.97	424.66	389.81	1,275.28	1,107.10	1,470.26
	(c) Depreciation and amortisation expense	365.99	364.04	353.92	1,087.84	1,037.03	1,392.68
	(d) Advertisement and business promotion expenses	198.06	274.32	75.89	736.31	256.98	405.30
	(e) Administration and Other expenses	310.60	476.70	300.87	1,330.35	1,074.48	1,411.61
	(f) Finance Costs	-	-	10.87	-	29.67	29.67
	Total Expense	1,537.83	1,938.35	1,667.46	5,535.43	4,590.93	6,227.19
V	Profit/ (Loss) from before Exceptional items and tax	(1,235.59)	(1,620.71)	(968.66)	(4,532.54)	(2,421.28)	(3,416.88)
VI	Exceptional items (Refer note 5)	-	-	-	-	-	-
VII	Profit/ (Loss) from before tax	(1,235.59)	(1,620.71)	(968.66)	(4,532.54)	(2,421.28)	(3,416.88)
VIII	Tax expense						
	1) Current Tax	-	-	-	-	-	-
	2) Deferred Tax	-	-	-	-	-	-
	Total Tax Expense	-	-	-	-	-	-
IX	Profit/ (Loss) for the period	(1,235.59)	(1,620.71)	(968.66)	(4,532.54)	(2,421.28)	(3,416.88)
X	Other Comprehensive Income						
	1) Items that will reclassified to profit or loss (net of tax)	-	-	-	-	-	-
	2) Items that will not reclassified to profit or loss (net of tax)	(1.29)	(1.29)	(1.17)	(3.87)	(3.52)	(4.70)
	Total other Comprehensive Income for the period, net of tax	(1.29)	(1.29)	(1.17)	(3.87)	(3.52)	(4.70)
XI	Total Comprehensive Income for the period	(1,236.88)	(1,622.00)	(969.84)	(4,536.42)	(2,424.80)	(3,421.58)
XII	Paid-up Equity Share Capital (Equity Shares of ₹ 1/- each.) (refer note 4 & 6)	47,206.80	31,802.04	23,951.40	47,206.80	23,951.40	24,595.56
XIII	Reserves excluding revaluation reserves	-	-	-	-	-	(6,325.67)
XIV	Earnings Per Share of Re 1/- each (In Rs) (Not Annualised)						
	(a) Basic	(0.03)	(0.05)	(0.04)	(0.10)	(0.12)	(0.16)
	(b) Diluted	(0.03)	(0.05)	(0.04)	(0.10)	(0.12)	(0.16)

NOTES:

- Results for nine months ended December 31, 2017 are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. Consequently, results for the nine months ended December 31, 2016 and previous year ended March 31, 2017 have been restated to comply with Ind AS to make those comparable.
- The above standalone financial results of the Company for the nine months ended December 31, 2017 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on February 15, 2018. These results have been reviewed by the statutory auditors of the Company. Ind AS financials results for the Quarter and Nine months ended December 31, 2016 and year ended March 31, 2017 have not been subject to limited review. The comparative financial information of the company as at March 31, 2017 included in the statement based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us, as adjusted for the difference in the accounting principles adopted by the Company on the transition to the Ind AS.
- Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM, who is responsible for the allocating resources and assessing performance of the operating segments, has been identified as the MD and CEO of the company. The Company is engaged in only the Business of Stock Exchange and activities incidental thereto within India, hence does not have any reportable segments as per Indian Accounting Standard (Ind AS-108) - Operating Segments.
- 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.
- Out of the outstanding warrants of 68,62,589, Rs.0.50 per warrant was payable for conversion which became due after September 23 2017 onwards. Accordingly, the company has converted 6803519 warrants into equity shares of Rs. 1/- each upon receipt of conversion request for same. The outstanding warrants not requested for conversion as on February 15, 2018 is 59,070.
- The Board at its meeting held on August 11, 2017 had offered to its eligible shareholders on Rights basis 1,59,25,90,703 equity shares at a price of Rs.1.30/- per share (including a premium of Rs.0.30) aggregating to Rs.2,07,03,67,914 in the ratio of 1:2, held on the record date September 7 2017. The rights issue opened on September 16 2017 and closed on September 30 2017.
In the Rights issue, subscriptions were received towards 86,19,90,178 equity shares, which were allotted by the Board. Thereafter, the balance unsubscribed portion was 73,06,00,525 which was available for disposal by the Board of Directors as per section 62(1)(a)(iii) of the Companies Act, 2013. Towards the unsubscribed portion, subscription of 72,83,93,963 equity shares were received, leaving balance unsubscribed portion of 22,06,562 equity shares.
Accordingly, the total allotment under the Rights issue 2017 was 1,59,03,84,141 equity shares aggregating to Rs.2,06,74,99,383/- as on January 19 2018. After the above allotment, the unsubscribed portion is 22,06,562 equity shares. The paid up capital of the company as on said date stood at Rs.4,77,73,91,263/- (which excludes 49,77,671 equity shares held by Metropolitan Stock Exchange ESOP Trust).
- During the quarter ended December 31, 2017 company has adjusted Rs. 4.91 Crores being equity share issue expenses against securities premium inline with section 52(2) of The Companies Act, 2013.
- As per section 14(3) of Securities Contracts (Regulations) (Stock Exchange and Clearing Corporations) Regulations, 2012 'Every recognised clearing corporation shall achieve a minimum net-worth of three hundred crore rupees within a period of three years from the date of recognition granted under these regulations'. In line with above requirement the Company has made investment of Rs. 195.35 Crores in the equity shares of MCCIL at face value of Rs. 10/- per share in Quarter ended December 31, 2017. Accordingly, MCCIL is in compliance of above regulation as on date.
- The auditor in their review report on the unaudited financial statements for the period ended December 31, 2017 expressed certain qualification which are summarised below along with the Company's comments on the same:
A) The company continues to prepare its Financial Statements on going concern basis, even though it has continued to incur significant losses. There is no clarity on required increase in business volume. 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.38.02 Crores and Rs.1.86 Crores towards GST 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 is executing business growth plan and in the process has created new products which are pending approval from SEBI. Further, the company has embarked upon brand building, improving liquidity on its platform and is offering infrastructural support. Over the last fourteen months, the company has raised Rs.266 crore via new equity issues which demonstrates investor confidence in the company. These funds have been utilized in capitalizing the subsidiary MCCIL and bringing its net worth to the regulatory level as well as creating new products, brand awareness and member connect programs. Company is confident of getting product approvals from SEBI and surging ahead in business growth. Management is therefore justified in preparing the financial statements on going concern basis.
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 including the provision towards the liability with regard to the contracts entered in past. The Management is reviewing the same.

- Reconciliation of financials results for the period/year as reported under Ind AS and erstwhile Indian GAAP (Rs. In Lakhs)

Particulars	For the quarter ended December 31,2016	For the nine month ended December 31, 2016	For the year ended March 31, 2017
Profit/ (loss) as per erstwhile IGAAP after Tax	(971)	(2,430)	(3,411)
Adjustment :			
Fair Valuation of Investment through profit and Loss account	5	13	1
Lease equalisation	(8)	(13)	(20)
Remeasurement of Employees Benefits	1	4	5
Income recognition on interest free deposit	4	5	9
Total Adjustments	2	8	(6)
Profit/ (loss) as per Ind AS before OCI	(969)	(2,421)	(3,417)
Other Comprehensive Income			
Remeasurement of Employees Benefits (net of Tax)	(1)	(4)	(5)
Profit/ (loss) as per Ind AS after tax	(970)	(2,425)	(3,422)

- 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

Place : Mumbai
Dated : February 15, 2018

Sd/-
Udai Kumar
Managing Director & CEO

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