METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

Registered Office: Vibgyor Towers, 4th Floor, C-62, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400098, CIN no.U65999MH2008PLC185856
Tel. +91 22 6112 9000 I Fax +91 22 6112 9009 I Website: www.msei.in I e-mail: secretarial@msei.in

NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of Metropolitan Stock Exchange of India Limited will be held on Wednesday, September 26, 2018 at 11.30 a.m. at Banquet Hall, Ground floor, MCA Recreation Centre, RG-2, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051.

ORDINARY BUSINESS:

1. **Adoption of Financial Statements:**
   To receive, consider and adopt:
   a. the audited standalone financial statements of the Company for the financial year ended March 31, 2018, together with the Report of the Board of Directors ("the Board") and Statutory Auditors thereon; and
   b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2018, together with the Report of the Statutory Auditors thereon.
2. **Re-appointment of Shareholder Director, who retires by rotation**
   To appoint a Director in place of Mr. Sudhir Bassi (DIN: 07819617), Shareholder Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, subject to approval of Securities and Exchange Board of India.
3. **Ratification of Appointment of Auditors:**
   To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
   "**RESOLVED THAT** in terms of the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and any other rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof) and pursuant to the resolution passed by the Members at the Seventh Annual General Meeting (AGM) held on September 30, 2015 appointing M/s. T. R. Chadha & Co. LLP, Chartered Accountants (LLP Identification No. AAF-3926 and Firm Registration No. FRN 006711N/N500028) as Statutory Auditors to hold office from the conclusion of the Seventh AGM till conclusion of the Eleventh AGM , be and hereby continues for the said term, without seeking any further ratification of the shareholders of the Company for their appointment as statutory auditors till the conclusion of their tenure and that the Board of Directors of the Company be and is hereby authorised to fix their remuneration for the said period in addition to reimbursement of actual out of pocket expenses as may be incurred by them in the performance of their duties.

By Order of the Board of Directors
For **Metropolitan Stock Exchange of India Limited**

Sd/-
Balu Nair
Authorized Signatory

August 13, 2018
Place: Mumbai

Notes:

1. Members are requested to bring duly filled-in attendance slip to attend the meeting along with their copy of Annual Report to the Meeting. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting.
2. Members desiring any information relating to the accounts and/or operations of the Company are requested to write to the Company at least 7 (seven) days before the date of the meeting so as to enable the management to keep the information ready at the meeting, to the extent practicable.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING SHALL BE ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE AT THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES SUBMITTED ON BEHALF OF COMPANIES, SOCIETIES, PARTNERSHIP FIRMS, HUF, LLP ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY LETTER, AS APPLICABLE, ISSUED ON BEHALF OF THE NOMINATING ORGANISATION/ENTITY. PROXIES IN ORDER TO BE VALID, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE AGM. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting, a Member would be entitled to inspect the proxies lodged, during business hours, provided that a requisition for the same from a Member is received in writing not less than 3 days before the commencement of the Meeting.
4. A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Karvy Computershare Private Limited (KARVY) to provide efficient and better services.
6. Non-Resident Indian Members are requested to inform about the following to the Company or its RTA or the concerned DP as the case may be, immediately:
   a. The change in the residential status on return to India for permanent settlement and
   b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if not furnished earlier.
7. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participant with whom they are maintaining their demat accounts.
8. **As prescribed in Regulation 2(1)(r) under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, only the shareholders who are not Trading Members of the Company or their Associates and Agents shall be eligible to vote and recognized for counting of votes, for Item No. 2 (selection of Shareholder Director) of the notice. For definition of Trading Member and Associate, please refer Regulation 2(1)(s) and 2(1)(b) of SECC.** Pursuant to the provisions of Section 152 of the Act and rules made thereunder and Articles of Association of the Company, Mr. Sudhir Bassi, Shareholder Director retires by rotation and being eligible, offers himself for re-appointment. A brief resume of Mr. Sudhir Bassi along with nature of his expertise is provided as an annexure to the Notice.
9. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Depositories and to Members who have not registered their e-mail address with the Depositories, through Courier/Speed Post/Registered Post or any other permissible means. The notice and annual report are also available on the website of the Company i.e. **http://www.msei.in/about-us/financials**. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
10. In case of joint holders attending the meeting, only such joint-holder who is higher in the order of names, will be entitled to vote at the Meeting.
11. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting.
12. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the equity shares held by them. Member holding share in electronic mode may contact their respective DPs for availing the nomination facility.
13. To support the 'Green initiative', the Members who have not registered their e-mail addresses, are requested to register the same with their depository participant or RTA of the Company.
14. All the documents referred to in the accompanying Notice are open for inspection at the registered Office of the Company on all working days between 11.00 A.M to 1.00 P.M. up to the date of AGM.
15. Members are requested to make all other correspondence in connection with the Equity Shares held by them by addressing letters directly to the RTA viz. Karvy Computershare Private Limited, Unit: Metropolitan Stock Exchange of India Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032 or to the Company at its Registered Office as mentioned in this Notice, quoting reference of their Client ID number and DP ID number.
16. Institutional members (i.e. other than Individuals, HUF, NRI etc.) who intend to send their Authorised Representatives to attend and vote at the Meeting are requested to ensure that the Authorised Representative carries a duly certified true copy of the Board Resolution, Power of Attorney or such other valid authorisation, authorizing him to attend and vote at the Meeting and any one of the photo identity proofs (viz. Driving License, PAN Card, Election Card, Passport or any other valid proof). In terms of the provisions of the Companies Act, 2013, the representatives of Corporate Members without proper authorisation, such as Board Resolution or Power of Attorney or such other valid authorisation, may not be permitted to attend and /or vote at the Meeting.
   Specimen Resolution for this purpose is as under:
   (To be printed/typed on the letterhead of Corporate Member)
   *"**RESOLVED THAT** pursuant to the provisions of Section 113 and all other applicable provisions, if any, of the Companies Act, 2013, Mr./Ms. ________________ or failing him, Mr./Ms.____________________ be and is hereby authorized to act as the representative of (name of the Corporate Member) to attend the 10th Annual General Meeting of Metropolitan Stock Exchange of India Limited to be held on Wednesday, September 26, 2018 at Banquet Hall, Ground Floor, MCA Recreation*

Centre, RG-2, G-Block, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051 or at any adjournment thereof, for and on behalf of the Company as its representative.

RESOLVED FURTHER THAT *the aforesaid representative of the company, be and is hereby authorised to vote for and on behalf of the company on the resolutions as stated in the Notice of the 10th Annual General Meeting of Metropolitan Stock Exchange of India Limited or at any such adjournment thereof."*

The aforesaid resolution shall preferably be signed by Director/Authorised Signatory of the Corporate Member.

17. The term 'Members' has been used to denote Shareholders of MSE Limited.
18. Mr. Ramakant Kini, (Enrol.no. MAH/2538/2006) Partner, Sterling Associates, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The decision of the Scrutiniser on the e-voting result shall be final.

PROCEDURE AND INSTRUCTIONS FOR e-VOTING

I. **Remote e-voting:** In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.
ii. Enter the login credentials i.e. User ID and password provided in the e-mail received from Karvy Computershare Private Limited. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
iii. After entering these details appropriately, click on "LOGIN".
iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
v. You need to login again with the new credentials.
vi. On successful login, the system will prompt you to select the "E-Voting EVENT" i.e., 'Name of the Company". Select 'EVENT' of Metropolitan Stock Exchange of India limited-AGM and click on submit.
vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
x. You may then cast your vote by selecting an appropriate option and click on "Submit".
xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s). Upon confirmation, the message 'Vote Cast Successfully' will be displayed.
xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s) who are authorized to vote, to the Scrutinizer at email ramakant.kini@sterlingassociates.in with a copy marked to evoting@karvy.com. They may also upload the same in the E-Voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:

i. E-Voting Event Number, User ID and Password is provided in the bottom of the Attendance Slip annexed to the Notice.
ii. Please follow all steps from Sl. No. (A) (i) to (xii) above to cast your vote by electronic means.

iii. Voting at AGM: The Members, who have not cast their vote through Remote e-voting, can exercise their voting rights at the AGM. The facility for voting through poll paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by Remote e-voting shall be able to exercise their right at the AGM through Poll. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. Premkumar Nair, (Unit: Metropolitan Stock Exchange of India Limited) at Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 2222 or call Karvy's toll free No. 1800-3454-001 for any further clarifications.
b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
c. The remote e-voting period commences on **September 21, 2018 at 9 A.M. IST and ends on September 25, 2018 at 5 P.M.** IST. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **September 18, 2018,** are entitled to cast their votes electronically. *A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.* The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
d. The voting rights of Members shall be in proportion to their share of the paid up **equity share capital of the Company as on the cut-off date i.e. September 18, 2018**
e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., September 18, 2018, he/she may obtain the User ID and Password in the manner as mentioned below:
   i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
   Example for NSDL:
   MYEPWD <SPACE> IN12345612345678
   Example for CDSL:
   MYEPWD <SPACE> 1402345612345678
   Example for Physical:
   MYEPWD <SPACE> XXXX1234567890
   ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.karvy.com, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
   iii. Member may call Karvy's toll free number 1800-3454-001.
   iv. Member may send an e-mail request to evoting@karvy.com.

By Order of the Board of Directors
For **Metropolitan Stock Exchange of India Limited**

Sd/-
Balu Nair
Authorised Signatory
Date : August 13, 2018
Place: Mumbai
Registered and Corporate Office:
Vibgyor Towers, 4th Floor, C-62, G Block,
Bandra Kurla Complex, Bandra (East) Mumbai 400 098

Details of Director seeking re-appointment at the forthcoming Annual General Meeting (In pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings)

Name of Director	Mr. Sudhir Bassi
Designation	Shareholder Director
DIN	07819617
Date of Appointment	November 2, 2017
Item No.	2
Date of Birth	August 6, 1969 (49 years)
Brief Resume	Mr. Bassi is an MBA in Finance and is currently an Executive Director in Capital Markets Practice Group of Khaitan and Company in Mumbai. Prior to joining Khaitan & Company, he was Managing Director at Morgan Stanley India Company Pvt. Ltd. He has vast experience of over 25 years in capital markets wherein he has advised companies on all types of capital raisings (public/private/international both in equity and debt space), open offers, buy-backs, delisting etc. During this period he has been associated with more than 120 equity offerings. He has also worked with JM Morgan Stanley Pvt. Ltd, JM Financial & investment Consultancy Services Pvt. Ltd and PNB Capital Services Ltd. Mr. Bassi has been involved in discussions with SEBI and Stock Exchanges in relation to development of regulatory framework for the 'Offer for Sale Mechanism'. SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2009, SEBI (Issue and Listing of Debt) Regulations, 2008. Mr. Bassi was also the Head of Capital Market-Policy Issues sub group of the Industry Affairs Committee of Association of Investment Bankers of India (AIBI)
Expertise in specific functional area	Experienced capital markets professional closely associated with the evolution of regulatory framework with more than 20 years of experience. His expertise is in the areas of regulatory framework, excellent relationship with regulators and capital market intermediaries, conceptualizing new concepts (e.g. shelf prospectus, book building, exchangeable bond, index bond, conditional IPO) etc.
Qualifications	MBA from Punjabi University and B.Com from MM Modi College Punjabi University, Patiala
Remuneration last drawn	Rs. 3,28,500
Terms and Conditions of appointment/ re appointment	Liable to retire by rotation
Number of Meetings of the Board attended during the year	2
Other Directorships	NIL
Chairman/Member of the Committees of the Board of Directors of other companies in which he is a Director	NIL
Committee position held in MSE*	Audit Committee Stakeholders' Relationship Committee
No. of Equity shares held in the Exchange	NIL
Relationship between Directors inter se	NIL

*Chairmanship and membership of Audit Committee and Stakeholders' Relationship Committee have been considered

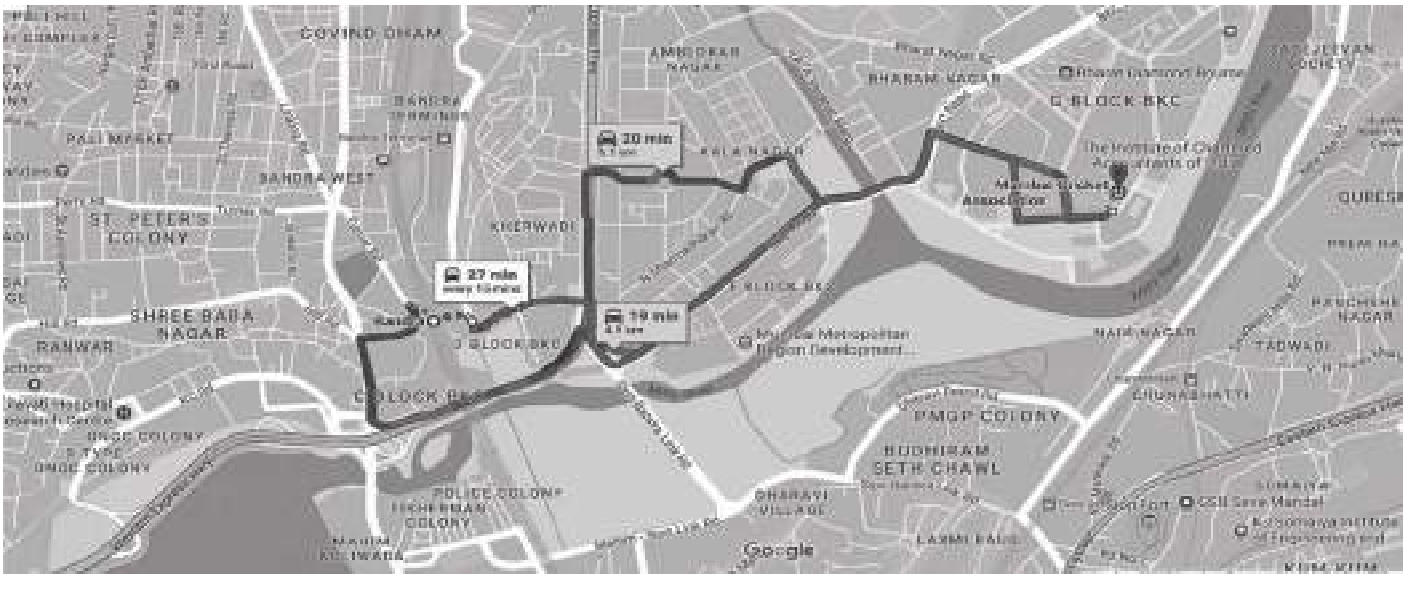
By Order of the Board of Directors
Sd/-

Balu Nair
Authorised Signatory

Date : August 13, 2018
Place: Mumbai
Registered and Corporate Office:
Vibgyor Towers, 4th Floor, C-62, G Block,
Bandra Kurla Complex, Bandra (East) Mumbai 400 098

THE ROUTE MAP FOR AGM VENUE

Banquet Hall, Ground Floor, MCA Recreation Center, RG-2, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
Landmark : Opposite ONGC Building



IT'S WISER TO BE ON MSE.

MSE

METROPOLITAN STOCK EXCHANGE

ANNUAL REPORT
2017-18

A FEW GLIMPSES OF VARIOUS EVENTS AT MSE

Dealers & Market participants attending

MSE | iNSIGHT SERIES

"TRADING IN A STRENGTHENING DOLLAR ENVIRONMENT"

Currency Dealers Meet Held on 1st June 2018 at MSE Headoffice.

IAP EVENT

IAP event held at Bangalore
on 28th April 2018

IAP event held at Lucknow on 14th April 2018

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Corporate Information: Board of Directors

Name	Designation
Mr. Dinesh Kumar Mehrotra	Chairman & Public Interest Director
Mr. Ketan Vikamsey	Public Interest Director (w.e.f April 5, 2017)
Mr. Sudhir Bassi	Shareholder Director (w.e.f November 2, 2017)
Mr. Udai Kumar	Managing Director & CEO

Other Directors during the year

Name	Designation
Prof. (Mrs.) Ashima Goyal	Public Interest Director (up to September 30, 2017)
Mr. Ajai Kumar	Public Interest Director (up to August 6, 2018)
Mr. D.G. Patwardhan	Public Interest Director (up to August 7, 2018)

Corporate Information: Board Committees*

Audit

- **Ketan Vikamsey**
- **Ajai Kumar ****
- **Dinesh Kumar Mehrotra**
- **D G Patwardhan*****
- **Sudhir Bassi**
- **Udai Kumar**

Nomination and Remuneration cum Compensation

- **Ajai Kumar ****
- **Dinesh Kumar Mehrotra**
- **Ketan Vikamsey**
- **D G Patwardhan*****
- **Sudhir Bassi**

Stakeholders' Relationship

- **Dinesh Kumar Mehrotra**
- **Sudhir Bassi**
- **Ketan Vikamsey**
- **Udai Kumar**

***Statutory committees under Companies Act, 2013. For other Committee compositions, please visit our website.**
**** Mr. Ajai Kumar has resigned as Public Interest Director w.e.f. August 6, 2018**
***** Mr. D. G. Patwardhan has resigned as Public Interest Director w.e.f. August 7, 2018**

Corporate Information: Management Team

Name	Designation
Mr. Udai Kumar	Managing Director and Chief Executive Officer
Mr. Kunal Sanghavi	Chief Financial Officer (w.e.f February 12 , 2018)
Mr. Anish Kumar	Compliance Officer (upto August 6, 2018)
Mr. P.K. Ramesh	Chief Regulatory officer (w.e.f May 24, 2018) Compliance Officer (w.e.f August 6, 2018)
Mr. Savio D'Souza	Head - Human Resources
Mr. Kundan Zamvar	Chief Information Security Officer

STATUTORY AUDITORS
M/s. T. R. Chadha & Co. LLP, Chartered Accountants

INTERNAL AUDITORS
M/s. M. M. Nissim & Co., Chartered Accountants

COMPANY SECRETARY:
Mr. Rathindra Das (up to January 5, 2018)

REGISTRAR AND SHARE TRANSFER AGENTS
Karvy Computershare Private Limited
Selenium Tower B, Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad-500 032, India.
Tel: +91-040-6716 2222

REGISTERED OFFICE
Vibgyor Towers, 4th Floor, Plot No. C-62, G Block,
Bandra Kurla Complex, Bandra (E), Mumbai – 400098,
Tele: +91- 022-6112 9000 | Fax. : +91-022-6112 9009
CIN No:U65999MH2008PLC185856

DIRECTORS' REPORT

TO THE MEMBERS OF

METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

Your Directors present their Tenth Annual Report and the Audited Statement of Accounts and Auditors' Report for the period commencing from April 1, 2017 to March 31, 2018.

1. Financial Results

(Rs. In Lakhs)

	Particular	Standalone		Consolidated	
		For the Year ended March 31, 2018	**For the Year ended March 31, 2017**	**For the Year ended March 31,2018**	**For the Year ended March 31, 2017**
I	**Income**				
	(a) Revenue from operations	849	1,705	849	1,706
	(b) Other income	511	1,100	1,979	1,933
	Total Revenue	**1,359**	**2,805**	**2,828**	**3,638**
II	**Expenditure**				
	(a) Operating expenses	**1,334**	**1,518**	**2,080**	**1,821**
	(b) Employee benefits expense	**1,731**	**1,470**	**1,995**	**1,688**
	(c) Finance costs	**-**	**30**	**-**	**30**
	(d) Advertisement and business promotion expenses	**804**	**405**	**804**	**405**
	(e) Depreciation and amortisation expense	**1,456**	**1,393**	**1,457**	**1,395**
	(f) Other expenses	**1,598**	**1,412**	**1,968**	**1,557**
	Total Expenses	**6,923**	**6,227**	**8,304**	**6,897**
III	**Profit / (Loss) before tax**	**(5,564)**	**(3,422)**	**(5,476)**	**(3,258)**
IV	**Exceptional items**	**-**	**-**		
IV	**Profit / (Loss) before tax**	**(5,564)**	**(3,422)**	**(5,476)**	**(3,258)**
IV	**Less : Current tax**			**-**	**-**
	Less : Deferred tax	**-**	**-**	**(1)**	**-**
V	**Profit / (Loss) for the year**	**(5,564)**	**(3,422)**	**(5,475)**	**(3,258)**
	Minority Interest			**4**	**21**
VI	**Other comprehensive income**				
	1) Items that will be reclassified to profit or (loss) (net of tax)	**-**	**-**	**-**	**-**
	2) Items that will not be reclassified to profit or (loss) (net of tax)	**17**	**(5)**	**18**	**(8)**
	Total other Comprehensive Income for the year, net of tax	**17**	**(5)**	**18**	**(8)**
	Total Comprehensive Income for the year	**(5,547)**	**(3,427)**	**(5,461)**	**(3,287)**
VII	**Earnings per equity share of face value of Re.1 each**				
	Basic (in Re.)	**(0.15)**	**(0.16)**	**(0.15)**	**(0.15)**
	Diluted (in Re.)	**(0.15)**	**(0.16)**	**(0.15)**	**(0.15)**

During the year under review, the Company has incurred losses of Rs.55.64 Crore, the losses increased by Rs.21.42 Crore, as compared to previous year's loss of Rs.34.22 Crore. The increase in losses is due to increase in advertisement & business promotion expenses for re-launching of the exchange. Also Income from Operations reduced from Rs. 17.05 Crore in FY 2016-17 to Rs. 8.49 Crore in FY 2017-18, which is decreased by 50% due to challenging business conditions.

During the year Other Income was Rs.5.11 Crore as compared to Rs. 11.00 Crore in FY 2016-17. Other Income was higher in FY 2016-17 as compared to FY 2017-18 primarily due to Rs.1.35 Crore interest earned on the deposit of Rs.20 Crore kept with Bombay High Court and Rs.4.09 Crore interest received from Income Tax department on various refunds received during the year 2016-17.

Due to accumulated losses available for income tax set off and net loss for the year under review, Company has paid no income tax for the year. During the year, Company has incurred capital expenditure of Rs.7.59 Crore mainly on various software & EMC Storage to support Exchange's business requirements.

2. Corporate and Business Background

The Company is a full service National level Stock Exchange with license to operate in Equity, Equity Derivatives, Currency Derivatives and Debt Platform. The Exchange has live trading platform in all segments except SME. The Exchange also has a subsidiary Metropolitan Clearing Corporation of India Limited (MCCIL) for clearing and settlement of all trades on the Exchange.

The current ownership of the Exchange is well diversified between corporates, banks and individuals. The Exchange is required to seek annual renewal of recognition from SEBI which is next falling due in September 2018. The Exchange has already applied to SEBI for the same.

The overall business plan involves a 360 degree focus on business positioning, members' engagement, branding, advertising, product development and business process efficiencies.

The Company shall continue to optimise its cost structure while incurring necessary business expenses. Operating expenses such as clearing & settlement charges, rent, annual maintenance contract charges for technology platforms shall be further reduced.

In FY 2017-18 MSE successfully funded its subsidiary MCCIL to meet regulatory networth requirement. In FY 2017-18, MCCIL also received recognition from the European Securities Market Authority (ESMA) as a third country CCP under European Market Infrastructure Regulation (EMIR). Leveraging on a sound capital base, state of art risk management & clearing and settlement systems and long track record of default free settlements, MCCIL is in advanced stage of expanding its business by providing clearing and settlement services to other SEBI recognised stock exchanges. The Company is confident on the capability of its subsidiary to add value to MSE's shareholders.

MCCIL signed agreement with ICEX

MCCIL has executed an agreement with Indian Commodity Exchange Limited (ICEX) for offering clearing and settlement services to ICEX for trades done on their existing Commodities and derivatives segments. MCCIL is awaiting SEBI approval for the same.

3. Regulatory Updates

Regulatory changes in the CD Segment

SEBI has issued a circular no: SEBI/HO/MRD/DP/CIR/P/2018/50 dated March 15, 2018 regarding revision of limits relating to requirement of underlying exposure for Currency Derivatives contracts. As per circular, Domestic clients / Foreign Portfolio Investors (FPIs) may take long or short positions without having to establish existence of underlying exposure, up to a single limit of USD 100 million equivalent, across all currency pairs involving INR, put together, and combined across all the stock exchanges.

SEBI had issued a press release, on their Board meeting held on June 21, 2018, which among other favourable changes also proposes reduction of net worth requirement for clearing corporations from Rs.300 crores to Rs.100 crore. This is a positive development for the Exchange.

SEBI has issued a circular no: SEBI/HO/MRD/DP/CIR/P/2017/102 dated September 13, 2017 regarding Clarification on Exchange Traded Cross Currency Derivatives contracts on EUR-USD, GBP-USD and USD-JPY currency pairs. Circular specifies additional proprietary level Position limits at Bank and Non-Bank levels. The Exchange is awaiting approval of the securities market regulator in this regard.

SEBI has issued a circular no: IMD/FPIC/CIR/P/2018/46 dated March 08, 2018 regarding a separate limit of Interest Rate Futures (IRFs) for Foreign Portfolio Investors (FPIs). A joint proposal is submitted to market regulator in this regard and reply is awaited.

Regulatory changes in ECM Segment

As directed by SEBI, in order to enhance market integrity and safeguard Interest of investors, all exchanges have introduced Additional Surveillance Measure (ASM) in Equity segment with effect from March 2018. ASM will be applicable to securities with the aforesaid measures on securities with surveillance concerns viz. Price variation, Volatility etc.

Business Updates

The exchange is uniquely poised to provide bespoke service- based platform offerings in the Listing space including for SME's. There is an upcoming roll out planned for an "On the Web" trading application and a few other value added service based platform offerings. MSE recently launched "e-BID" the Electronic Book Provider (EBP) platform for issuance of debt securities on a private placement basis. This will also enable transparent price discovery. MSE's focus will continue to be on currency derivatives, fixed income and is working on SME segment. MSE is working aggressively for uptake of its equity platform and indices. Success of these initiatives will foster various businesses of the Exchange.

MSE is reviving its Equity Segment by working on various aspects relating to technology and products. MSE is recalibrating its flagship indices to enhance its acceptability and plans to actively promote trading of derivatives contracts based on these indices. We believe that these efforts will serve as the gateway for growth of our Equity and Equity Derivatives segment and will stimulate expansion of overall business and visibility of the Exchange.

The Company is also working on reviving Equity and especially Index Products. There are two parts to Index Products, one is to revive all technical aspects like aligning index methodologies, computation and publishing of Index and appropriately popularising the same. This leg brings Product in Market. Next leg is about distribution by appropriately activating the members and making them trade on Index Products through appealing contract specification and technological differentiation which makes it easy for members to trade. Digital on-boarding kind of features are the key differentiation planned for Index Products to be developed and launched in future.

4. Membership

The details of Segment wise members registered with SEBI as on March 31, 2018 are as follows:

Currency Derivatives	Equity Cash	Equity Futures & Options	Debt
658	429	419	16

Market Statistics of MSE in Currency Derivatives

Particulars	FY 2017 - 2018	FY 2016 - 2017
Centres participating across India*	728**	714**

** Data includes cities of active and inactive users / dealers.*

*** As on March 31, 2018 and March 31, 2017*

5. Technology

The IT infrastructure at the Exchange has been designed with performance, reliability, redundancy and security as the key parameters. The Exchange's Clearing Corporation has a world class suite of software which does trading, matching, indexing and risk management. The Exchange also has a faster post trade clearance system in place. The Software includes Risk Management System, which helps in real time margining, flat as well as SPAN margining, real time position updates, maintains margin/MTM limits, online suspension of members, member level online alerts based on specific percentage of limits.

The technology deployed includes the latest fault tolerant servers, firewalls with IPS /IDS. The online trading system of the Exchange is accessible to its members through any location across the length and breadth of the country through multiple modes of connectivity such as Multi-Protocol Label Switching (MPLS), VSAT, colocation and Internet.

The IT components are hosted in a state-of-art data center that is designed to support mission critical operations. The data centre and all its components are monitored 24 x 7.

MSE maintains a Disaster Recovery Site (DRS) at a different seismic zone and a Near Site near its Primary Site. As per SEBI directive and industry best practices, MSE is committed to achieve minimal data loss (near to zero data loss) by implementing state-of-the-art DR solution. Data is being replicated on a real-time basis from Primary Site in Mumbai to the Near Site as well as DR Site. Data synchronization between Primary Site and Near Site is synchronous & between Primary Site to DR site is asynchronous. Periodic mock tests and half yearly unannounced live trading from DR site for two consecutive days are done to ensure proper functioning of DR systems.

The robust technology infrastructure enables the Exchange to operate efficiently and also facilitates fast order routing, immediate trade execution, trade reporting, market data dissemination, risk management and market surveillance. The systems and processes of the Exchange are designed to safeguard market integrity and to enhance transparency in operations. The technology platform enables our members to undertake uninterrupted dealing even during sun outage time. The Exchange provides Real-time price information to interested parties through "Data feed" service of the Exchange. Data feed contains information relating to Products traded on the Exchange platform.

GRC (Governance Risk and Compliance) & Quality

MSE complies with all controls mandated by SEBI Cyber Security & Cyber Resilience Framework. MSE conducts the comprehensive system audit through independent system auditor. Further, information security being a crucial aspect of day to day business processes, MSE continues to retain the ISO/IEC 27001:2013 certification for its effective Information Security Management System.

In continuation with its commitment to provide quality-driven services to members, MSE has implemented Quality Management System ISO 9001:2008 standard.

6. Performance and financial position of subsidiaries

Your Company has two subsidiaries i.e. Metropolitan Clearing Corporation of India Limited (MCCIL) and MCX-SX KYC Registration Agency Limited (MCX-SX KRA). There were no new subsidiaries incorporated during the year and neither of the subsidiaries have ceased to be subsidiaries during the year. There are no joint ventures entered during the year and the Company does not have any associate company.

Metropolitan Clearing Corporation of India Limited (MCCIL) undertakes clearing and settlement of the trades transacted on the Exchange platforms. As on March 31, 2018, the operational income of MCCIL has decreased from Rs. 0.67 crore in the previous year to Rs. 0.23 crore in the current year. The profit after tax decreased from Rs. 1.64 crore in the previous year to Rs. 0.88 crore in the current year. Operational income has gone down because of reduction in clearing and settlement fees revenue. Decrease in Profit before tax was due to increase in Technology and other expenses.

MCX-SX KRA is a wholly owned subsidiary of your Company incorporated to undertake the business of KYC (Know Your Customer) Registration Agency and allied activities, subject to registration with SEBI under SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011. MCX-SX KRA is yet to commence it's operations.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries in Form AOC 1 is attached to the financial statements as Annexure I. The annual report of the subsidiaries and the related documents are placed on the website of the Company i.e. http://www.msei.in/about-us/financials. in accordance with the provisions of Section 136 of the Companies Act, 2013. Shareholders may download the annual financial statements and detailed information of the subsidiaries from the Company's website or may write to the Company for the same. The audited financial statements of the subsidiary companies shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting.

7. Dividend and Reserves

In view of the losses incurred by the Company, the Board of Directors does not recommend any dividend on the equity capital of the Company and no amounts are available for carrying to reserves.

8. Changes in the Share Capital

The Authorized Share Capital of the Company is Rs.550 crores divided into 550 crores equity shares of Re.1/- each.

The Exchange had in 2016 offered on rights basis 97,33,34,552 equity shares of Re.1 each per equity share at par value.

Allotments were made in financial year 2016-17 and the issue was fully subscribed after allotment of 72,06,47,359 equity shares @ Re. 1 each in the current year 2017-18.

In the aforesaid Rights Issue in 2016, the Exchange also offered 243,333,614 warrants at a price of Re.1/- each to the eligible shareholders. Out of which 68,62,589 warrants were applied for and allotted upon receipt of Re. 0.50 per warrant. The balance Re. 0.50 was payable within (1) one month of the expiry of 12 (twelve) months period from the date of allotment of the warrants (i.e. September 24, 2016) based on the terms and conditions as mentioned in the letter of offer. Failure on the part of the warrant holder to submit the application along with the balance payment within the given timeline would make the warrants liable to be forfeited.

Upon completion of the aforesaid 12 month period on September 23, 2017, the Exchange sent several reminders through emails, advertisement and letters to the warrant holders informing them of the last date for submission of the Warrant Conversion Form i.e. October 24, 2017.

Despite the above reminders, 8 warrant holders have till date not paid the balance amount on 25,445 warrants hence these warrants are now being forfeited.

The Exchange was required to infuse capital in MCCIL to fulfil its net worth requirement of Rs. 300 Crore as mandated by SEBI. To meet this requirement 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. The Exchange raised Rs. 206,74,99,383 through this issue.

During the year the exchange has invested in its subsidiary Metropolitan Clearing Corporation of India Limited (MCCIL), Rs 201.57 Crores by subscribing to 20,15,66,375 fully paid up equity shares of Rs.10 each on various dates during the Financial Year 2017-18.

On August 4, 2018 the company has offered to its eligible shareholders, on rights basis, 68,32,00,300 equity shares of INR 1 (rupee one) per equity share at a price of INR 2.00 (rupees two including premium of rupee one) aggregating to INR 136,64,00,600 in the ratio of 1 (one) equity share for every 7 (seven) equity shares (1:7) held as on the record date (i.e., August 03, 2018). This issue opened on August 10, 2018 and closes on September 4, 2018. The proceeds raised from issue of Equity Shares shall be utilized to implement business growth plan of the exchange and achieve breakeven.

9. Employees Stock Option Plan

The Stock Options granted to the employees operate under Employees Stock Option Scheme, 2009. There has been no variation in the terms of the options granted under the above scheme during the year. During the financial year under review, no stock options were exercised by the employees under ESOP scheme. The details of the employee stock options are set out in Annexure II to the Directors' Report.

10. Deposits

The Company does not have and has neither invited nor accepted any Deposit under Chapter V of the Companies Act, 2013 during the financial year under review.

11. Particulars of Loans, Guarantees or Investments

During the year, your Company has not provided loans or guarantees as per Section 186 of the Companies Act, 2013. The Company has during the financial year 2017-18 made an investment of Rs.201,56,63,750 in the equity shares of its subsidiary, Metropolitan Clearing Corporation of India Limited (MCCIL) at face value of Rs. 10 each.

During the year the Exchange availed a short term loan of up to Rs.10 crore (Rupees Ten Crore) from Kotak Mahindra Investments Limited (KMIL) against the security of 5% of the Company's total equity shareholding in Metropolitan Clearing Corporation of India Ltd.

12. Particulars of Contracts or Arrangements with Related Parties

The transactions with related parties are in Ordinary Course of Business and on Arm's Length basis. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 in Form AOC 2 is set out in the Annexure III to the Directors' Report.

13. Directors

As on March 31, 2018, your Board comprised of six Directors which included four Public Interest Directors (PIDs), one Shareholder Director and a Managing Director & CEO. Five meetings of the Board of Directors were held during the year.

In the previous year, certain complaints were received from two ex-employees of the Exchange. These complaints were taken up at appropriate level at the Exchange. In the meanwhile, the SEBI has directed ("SEBI Directive") that a committee of Public Interest Directors be formed to look into the said complaints and other matters as directed by SEBI. The Committee of Public interest Directors have appointed an Independent and reputed audit firm to investigate the matters as per the SEBI Directive. The investigation is underway, and the report is awaited, until such time the Board has requested Mr. Udai Kumar, MD & CEO to proceed on leave and during this period Mr. Balu Nair, Managing Director of Metropolitan Clearing Corporation of India Ltd. has been appointed as the Interim CEO.

Prof. (Mrs.) Ashima Goyal, PID, demitted office w.e.f. September 30, 2017 as her tenure had ended.

Mr. Sudhir Bassi was appointed as Shareholder Director of the Exchange vide SEBI letter dated October 26, 2017.

Mr. Dinesh Kumar Mehrotra was appointed as PID with effect from January 5, 2017. Mr. Ketan Vikamsey was appointed as PID with effect from April 5, 2017. Mr. Udai Kumar serves as the Managing Director and CEO of the Exchange with effect from January 22, 2016.

Mr. Dinesh Kumar Mehrotra was appointed as the Chairman of the Governing Board of the Exchange vide SEBI letter dated October 26, 2017.

Mr. Ajai Kumar resigned as PID with effect from August 6, 2018 and Mr. D.G.Patwardhan resigned as PID with effect from August 7, 2018.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013. The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Clause 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of Board Committees along with their terms of reference, composition and meetings held during the year, are provided in Corporate Governance Report which forms part of the Annual Report.

The Company places on record its appreciation and gratitude for the valuable contributions made by them during their tenure as member of the Board.

All PIDs have given declarations under Section 149(7) of the Act that they met the criteria of Independence as laid down under Section 149(6) of the Act, and Regulation 16 of Listing Regulations. Further all PIDs have also given the declarations that they satisfy "Fit and Proper" criteria as stipulated under regulation 20 of SECC Regulations.

14. Evaluation of Board, its Committees and Directors

With the objective of enhancing the effectiveness of the Board, the Nomination and Remuneration cum Compensation Committee formulated the methodology and criteria to evaluate the performance of the Board and each director. During the year, the Board made a performance evaluation of the Committees of the Board, Independent Directors and the Board as a whole. The Independent Directors also evaluated the performance of all Non-Independent Directors and the Chairman.

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

Observations of Board evaluation carried out for the year:
To implement best corporate governance practices in the Company.

Previous year's observations and action taken:
Steps were initiated to improve Corporate Governance in line with Companies Act, 2013, SECC Regulations and other applicable laws.

Proposed actions based on current year observations:
To further strengthen Corporate Governance practices.

The procedure followed for the performance evaluation of the Board, Committees and individual Directors is enumerated in the Corporate Governance Report.

15. Key Managerial Personnel

Mr. Kunal Sanghavi was appointed as Chief Financial Officer in accordance with the provisions of Section 203 of the Companies Act, 2013 with effect from February 12, 2018 . Mr. Chetan Utture who was earlier serving as a Chief Financial Officer resigned from the Exchange with effect from October 13, 2017.

Mr. Rathindra Das resigned as the Company Secretary of the Company with effect from January 5, 2018.

As on March 31, 2018, Key Managerial Personnel of the Company in terms of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 are Mr. Udai Kumar, MD & CEO, Mr. Kunal Sanghavi, Chief Financial Officer, Mr. Anish Kumar, Compliance Officer, Mr. Kundan Zamvar, Chief Information Security Officer and Mr. Savio D'souza – Head Human Resource

16. Policy on directors' appointment and remuneration

The Company has to comply with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 for appointment of directors on the governing board. Further the remuneration payable to the Executive Directors is also governed by the SECC Regulations. The Board periodically evaluates the need for change in its composition and size.

The policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors, and also remuneration for key managerial personnel and other employees is set out in Annexure IV to the Directors' Report.

17. Directors' Responsibility Statement:

In accordance with the provisions of Section 134 (3) (c) of the Companies Act, 2013 and based on the information provided by the management, your Directors state that:

a) in the preparation of the annual accounts for the financial year 2017-18, the applicable accounting standards have been followed and there are no material departures;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2017-18 and of the profit and loss of the Company for that period;

c) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

d) they have prepared the annual accounts on a going concern basis (Auditors Qualification and the Directors' explanation thereto has been provided in the Directors' Report).

e) they have laid down internal financial controls to be followed by the Company and that such Internal financial controls are adequate and were operating effectively.

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. Human Resources and Particulars of Employees

The employee count stood at 150 as on March 31, 2018 as against 136 as on March 31, 2017. Disclosures with respect to the remuneration of Directors, Key Managerial Personnel and employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and in accordance with Regulation 27(5) of SECC Regulations, are given at Annexure V &VI of this report respectively.

The Company has adopted a Whistle Blower Policy for directors and employees to report their genuine concerns and grievances. The said Policy is available on website of the Company i.e. https://www.msei.in/SX-Content/common/MCX-SX-About-Us/Code/2017/July/Whistle-Blower-Policy.pdf

In the previous year, certain complaints were received from two ex-employees of the Exchange. These complaints were taken up at appropriate level at the Exchange. In the meanwhile, the SEBI has directed ("SEBI Directive") that a committee of Public Interest Directors be formed to look into the said complaints and other matters as directed by SEBI. The Committee of Public interest Directors have appointed an Independent and reputed investigation firm to investigate the matters as per the SEBI Directive. The investigation is underway, and the report is awaited. While the Board has taken adequate steps to ensure seamless functions of the Exchange these extraordinary events consume significant amount of the senior management and organizational bandwidth and may pose risk to smooth execution of various plans of the organisation.

19. Particulars relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has a duly constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the FY 2017-18, the Company has received no complaints.

20. Auditors

The Auditors, T. R. Chadha & Co. LLP, Chartered Accountants (Firm Registration No. 006711N/N500028), Mumbai, had been appointed as statutory auditors, in the Seventh Annual General meeting held on September 30, 2015, to hold office from the conclusion of the Seventh Annual General Meeting until the conclusion of the Eleventh Annual General Meeting of the Company, subject to ratification by shareholders at every Annual General Meeting. The Auditors have confirmed that, their appointment would be in accordance with Section 139 of the Companies Act, 2013 and the rules made thereunder and that they are not disqualified in terms of Section 141 of the Act.

Explanation to the Auditors Qualification

The auditor in their report on the audited financial statements for the year ended March 31, 2018 expressed certain qualifications which are summarized 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 during the current period, business volumes is also reduced and there is no clarity on increase in volume/revenue. The company has however raised the required funds to meet its regulatory net worth requirements and is working on a 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 detailed impairment testing to ascertain carrying value of fixed assets, etc. The management has also considered the GST Credit available amounting to Rs. 40.81 Crores and MAT Credit Entitlement amounting to Rs.1.86 Crores as recoverable, basis the same. The management is 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. In the year 2017-18, the company has raised Rs.279.5 crore including security premium of Rs. 47.71 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.

21. Adequacy of Internal Financial Controls and Risk Management

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. The Company identifies elements of risks which affects the business of the Exchange and has a risk mitigation and management system for the same. These systems are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management systems.

The Company has designed and evaluated the effectiveness of internal financial controls, disclosures and procedures to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, audit by the internal, statutory and secretarial auditors, including audit of internal controls over financial reporting by the statutory auditors, and the reviews performed by management and the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2017-18.

22. Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. DSM Associates, Company Secretaries to undertake the secretarial audit of the Company. The Secretarial Audit Report is annexed as Annexure VII to this report.

23. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The Company has a policy of switching off power after the office time in those areas where staff has left for the day. Staffs are strictly instructed to switch off their monitors before they leave for the day. The Company also maintains the air conditioning temperatures to conserve energy.

The earnings in foreign currency during financial year 2017-18 amounted to Rs.25,87,500/- as compared to Rs.25,76,250/- in the previous year. The expenditure in foreign currency during the financial year 2017-18 amounted to Rs.33,70,014/-as compared to Rs.23,54,410/-in the previous year.

24. Corporate Social Responsibility

The company has not registered profits in the last three years hence does not fall within the purview of the provisions of the Section 135 of the Companies Act, 2013 and rules made thereunder; hence the Board of Directors have at their meeting held on May 13, 2017 dissolved the Corporate Social Responsibility Committee.

25. Material Changes and Commitments affecting the Financial Position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31, 2018 to which the financial statements relate and the date of this Report.

26. Change in the nature of business

Your Company has not undergone any changes in the nature of business during the financial year.

27. Corporate Governance Report and Management Discussion and Analysis Report

In terms of Regulation 35 of SECC Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report and the Management Discussion and Analysis Report are attached to and forms part of this Report.

28. Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT 9 is set out as Annexure VIII to this report and has also been placed on the website of the Exchange at https://www.msei.in/about-us/financials in accordance with Section 134(3)(a) of the Companies Act, 2013.

29. Acknowledgements

The Directors would like to place on record their gratitude for the valuable guidance and support received from the Government of India, particularly Ministry of Finance and Ministry of Corporate Affairs, Securities and Exchange Board of India and Reserve Bank of India and for the continuous support given by participating banks, clearing banks, shareholding banks and institutions, NSDL, CDSL, FICCI, CII, ASSOCHAM, IMC, SAFE and various other international, national and regional chambers of commerce, trade associations and all other broker-members, lawyers and law firms, consulting firms, vendors, technology partners and all other business associates to the Company.

The Directors also wish to convey their appreciation to the Company's employees for their enormous efforts as well as their collective contribution which enabled the Company to meet the challenges set before it, including the fierce competition in the sector.

For and on behalf of the Board of Directors

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Date: August 13, 2018
Place: Mumbai

ANNEXURE I

Form AOC – 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint venture

Part "A": Subsidiaries (Amount in INR Lacs)

Sr. No.	Name of the subsidiary	Share Capital	Reserves & surplus	Total Assets	Total Liabilities	Investments (Current)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of shareholding
1.	Metropolitan Clearing Corporation of India Limited	29,537.09	780.38	38,829.14	38,829.14	2,372.61	1,492.03	87.25	NIL	87.25	NIL	95.85 %
2.	MCX-SX KYC Registration Agency Limited	5.00	2.25	2.83	2.83	NIL	NIL	0.20	NIL	0.20	NIL	100%

1. Name of subsidiaries which are yet to commence operations: MCX-SX KYC Registration Agency Ltd.
2. Name of subsidiaries which have been liquidated or sold during the year: None

Part "B"

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Venture – **Not Applicable**

ANNEXURE II

DISCLOSURES OF THE EMPLOYEE STOCK OPTION SCHEME, 2009 (ESOP SCHEME 2009) UNDER THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA

Sr. No.	Particulars	Round I	Round II	Round III	Round IV
A	Options granted	11,25,000 (on November 27, 2009)	40,55,100 (on March 20, 2012)	5,53,250 (on November 1, 2012)	1,45,800 (on March 12, 2013)
B	The pricing formula	Based on the fair price of the shares on the date of grant.			
C	Options vested	11,25,000	40,55,100	5,53,250	1,45,800
D	Options exercised till March 31, 2018	7,05,000	6,02,666	NIL	Nil
E	The total number of shares arising as a result of exercise of options	Not Applicable, as ESOPs are presently intended to be offered through Trust			
F	Options lapsed as at March 31, 2018)	4,20,000	34,52,434	5,53,250	1,45,800
G	Variation of terms of options (as at March 31, 2018)	None			
H	Money realized by exercise of options by ESOP Trust	Rs 7,05,000	Rs. 12,65,599	Nil	Nil
I	Total number of options (vested and unvested) in force (as at March 31, 2018)	Nil	NIL	NIL	NIL
J	Employee wise details of options granted to				
	i) senior managerial personnel	Nil	Mr Joseph Massey (10 lakh*) Mr. U. Venkataraman (2.5 lakh*)	Nil	Nil
	ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	As the grant was made to a total of 8 non-executive, non- promoter directors during 2009-10, all of the grants were in excess of 5% of the total options granted in that year.	Mr. KRCV Seshachalam (2.5 lakh*) Mr. Sanjit Prasad (2.5 lakh*)	Mr. Suniel Vichare (2.5 lakh*) Mr. Chandresh Bhatt (44,000*) Mr. Rajesh Bagwe (48,000*) Mr. Sanjay Golecha (40,000*) Mr. Atul Bapna (40,000*)	Mr. Nimisha Shukla (60000*) Mr. Sekar Narayan (11000*) Mr. Alok Thakkar (16500*) Mr. Dwadasi Murthy (16500*) Mr. Anthony Varghese (27500*)
	iii) identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options	NIL			

Sr. No.	Particulars	Round I	Round II	Round III	Round IV
K	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard 33 'Earnings Per Share' (as at March 31, 2018)	(0.15)			
L	i) Method of calculation of employee compensation cost	As per intrinsic value method.			
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options	NIL			
	iii) The impact of this difference on profits and on EPS of the Company	Loss would have been NIL. There would have been no material impact on the EPS			
M	Weighted average exercise price and Weighted average fair value	Not Applicable			
N	Fair value of options	Re. 0.15/-	Re. 0.25/-	Re. 0.003/-	0
	Assumptions	• Risk Free Rate is based upon Govt. Securities • Dividends are not considered • Standard Deviation and Variance are not considered • There was no Transaction and Tax cost			
	Risk Free rate	8.00%	8.75%	9.00%	9.00%
	Expected life of options	Average time for expiry of option is taken as 2 years			
	Expected Volatility	1%			
	Expected Dividends	The Company has made losses in this financial year and does not intend to propose any dividend for the financial year 2017-18.			
	Closing market price of share on a date prior to option grant	Not Applicable			

Notes:

1. Options under the ESOP Scheme were offered through the Trust.
2. The shares of the Company are not listed on any Stock Exchange. Therefore, expected volatility has been considered as 1% and fair value of the Option has been considered as Re. 1/- being the face value.
3. * Granted but not exercised
4. The above information pertains to valuation carried out on grant date and the assumptions are pertaining to grant date. The above information is reproduced from earlier period, for information.

For and on behalf of the Board of Directors

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Date: August 13, 2018
Place: Mumbai

ANNEXURE III

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)
Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis-
   - (a) Name(s) of the related party and nature of relationship: **N.A.**
   - (b) Nature of contracts/arrangements/transactions: **N.A.**
   - (c) Duration of the contracts / arrangements/transactions: **N.A.**
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
   - (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
   - (f) Date(s) of approval by the Board: **N.A.**
   - (g) Amount paid as advances, if any: **N.A.**
   - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188 of the Companies Act, 2013: **N.A.**
2. Details of material contracts or arrangement or transactions at arm's length basis:-
   - (a) Name(s) of the related party and nature of relationship: **Please see Annexure to AOC -2**
   - (b) Nature of contracts/arrangements/transactions: **Please see Annexure to AOC -2**
   - (c) Duration of the contracts / arrangements/transactions : **On-going transaction (Continuous)**
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Please see Annexure to AOC -2**
   - (e) Date(s) of approval by the Board, if any: **The transactions are on arms' length basis and in ordinary course of business Approval of the Board wherever necessary were obtained for this purpose from time to time.**
   - (f) Amount paid as advances, if any: **Nil**

For and on behalf of the Board of Directors

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Date: August 13, 2018
Place: Mumbai

ANNEXURE TO FORM NO. AOC-2

Details of transactions with related parties (In Rs.)

Nature of Transaction	Metropolitan Clearing Corporation Of India Ltd (Subsidiary)
Principal Activities & Shareholding	**Clearing and Settlement Function 95.85%**
Clearing and settlement charges	23,08,987 (67,38,123)
Rent income	61,69,188 (49,27,448)
Shared service cost recovered / (Reversed)	7,42,91,661 (3,71,02,962)
Advance Shared service cost recovered	- (20,19,00,000)
Trade Receivable	63,32,297 (10,42,987)
Investments in equity shares	2,01,56,63,750 (23,80,46,160)
Closing Balance of Investments in equity shares	2,83,12,09,910 (81,55,46,160)

The company acts as an intermediary for collection of penalties and share of listing fees to be transferred to MSE - IPF Trust accordingly those transactions have not been considered above.

1. Related party relationship is as identified by the Company and relied upon by the auditors.
2. There are no amounts written off or written back in the year in respect of debts due from or to related parties.
3. Figures in bracket represent previous year's amounts.
4. The transactions with the related parties are disclosed only till the relation exists.
5. Transaction charges collected by Metropolitan Clearing Corporation Of India Limited on behalf of the company and paid to the company have not been considered for the aforesaid disclosure.

For and on behalf of the Board of Directors

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Date: August 13, 2018
Place: Mumbai

ANNEXURE IV

NOMINATION AND REMUNERATION POLICY

I. INTRODUCTION

This Policy applies to the Board of Directors, Key Managerial Personnel and Senior Management Personnel of Metropolitan Stock Exchange of India Limited (hereinafter referred to as "Exchange").

The policy envisages the framework for nomination, remuneration and evaluation of Board of Directors, Key Managerial Personnel, Senior Management Personnel and Employees in accordance with provisions of Section 178(4) of Companies Act, 2013, ('the Act') including rules thereof, Clause 49 of the Listing Agreement and Regulation 27 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

The Company aims to achieve balance of merits, experience and skills amongst its Directors, Key Managerial Personnel, Senior Management Personnel and Employees.

The compensation governance practices, which are set out in this Policy, are part of the overall corporate governance structure. They should be read in conjunction with the other policies and guidelines of Exchange. The policy adheres to the compensation principles stipulated by Securities and Exchange Board of India (SEBI) and other applicable laws.

II OBJECTIVE

The objective of this Compensation Policy of Metropolitan Stock Exchange of India Limited (hereinafter referred to as "Exchange") is to:

- support performance that is based on merit, and differentiate and reward excellent performance, both in the short and long term, and to recognise the values of the Exchanges;
- attract and retain personnel, and motivate them to achieve organisational goals with integrity fairness and ethical behaviour.
- balance the mix of Fixed Compensation and Variable Compensation to appropriately reflect the value and responsibility of the role performed day to day, and to influence appropriate behaviours and actions.
- promote, effective risk management practice and compliance.
- foster teamwork and collaboration.
- take into account the long-term performance of the Exchange, in order to create sustainable value for the shareholders

III DEFINITIONS

1. **"The Company" means** Metropolitan Stock Exchange of India Limited.
2. **"Board "**means Board of Directors of the Company.
3. **"Committee"** means Nomination cum Remuneration and Compensation Committee of the Company as constituted or re-constituted by the Board, from time to time.
4. **"Key Managerial Personnel"** (KMP) means
   (i) Chief Executive Officer or the Managing Director or the Manager;
   (ii) Company Secretary;
   (iii) Whole-Time Director;
   (iv) Chief Financial Officer; and
   (v) Other officers as prescribed by SECC Regulations.
5. **''Senior Management Personnel'' (SMP)** means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

IV. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SMP

- The Committee shall identify, ascertain the integrity, qualification, expertise, experience of a person and recommend to the Board for his / her nomination to SEBI as a Public Interest Director.
- The Committee shall identify, ascertain the integrity, qualification, expertise, experience of a person and recommend to the Board for his / her / appointment as a KMP/ Senior Management Personnel of the Company.
- The Director, KMP and Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013 and rules made thereunder, SECC Regulations and Listing Agreement or any other enactment for the time being in force.
- The Company should ensure that the person so appointed as Director, KMP and Senior Management Personnel shall not be disqualified under the Companies Act, 2013 and rules made thereunder, SECC Regulations, Listing Agreement or any other enactment for the time being in force.
- The Committee may recommend to the Board for removal of a Director on account of any disqualification mentioned in the SECC Regulations, Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground. The Committee may also recommend to the Board for removal of KMP or Senior Management Personnel subject to the provisions and compliance of the applicable Act, rules and regulations.

V. Factors Determining Remuneration

The Committee shall consider the following conditions, while deciding the Compensation payable to the Director/KMP/SMP/Employees:

- Financial condition / health of the Exchange including revenues, net profits and other relevant financial parameters, if any
- Average levels of compensation payable to KMP in similar ranks in the industry and industry standards
- Absence of provisions tending to incentivise taking excessive risks over the short run.
- Role and responsibilities of the Director/ Key Managerial Personnel / Senior Management Personnel /Employees.
- Performance of the KMP.
- Necessity to differentiate and reward excellent performance, both in the short and long term.
- Attract and retain KMP/ SMP/Employees and motivate them to achieve results with integrity and fairness
- Encourage teamwork and collaboration across the KMP/SMP/Employees.
- Foster growth for them in the Exchange.
- Curb excessive risk taking and shot term profit oriented behaviour through Malus and Clawbacks clauses.
- Provides equal opportunity to all.
- Adherence to the norms stipulated by SEBI and other regulators.

VI. Compensation Structure

The Board of Directors of the Company shall decide the remuneration of Executive / Non-Executive Directors, KMP and SMP on the basis of recommendation of the Committee subject to the overall limits provided under the Companies Act, 2013 and rules made thereunder, including any amendments, modifications and re-enactments thereto ('the Act') and in compliance with the provisions of the Act, listing agreement and SECC Regulations as applicable from time to time.

A) DIRECTORS

i. EXECUTIVE DIRECTORS:

The compensation and the terms and conditions of the Executive Directors shall be approved by the Committee/Board and placed before SEBI for approval. Once approved, the same is then placed before the shareholders for approval. The terms and conditions of the compensation of the Managing Director shall not be changed without prior approval of the Remuneration Committee/Board and SEBI.

1 Fixed/ Basic Compensation

Fixed compensation, which is most commonly paid in the form of base salary, is based on the role and experience of the individual, his or her individual sustained long-term performance, and market positioning. Base salary is set at levels designed to retain Executive Director throughout business cycles.

2 Variable Compensation

The level of variable compensation granted, referred to as a discretionary variable incentive which is factored in the Compensation of the Executive Director, is placed before SEBI for approval. Once approved the same is then placed before the shareholders for approval and may be zero in cases as deemed fit by SEBI. The variable pay shall not exceed one-third of total pay.

3 Deferred Compensation

50% of variable compensation is deferred to reflect the nature of the Exchanges business, its risk profile, and the desire to have compensation plans that are based on sustainable performance criteria, which are enlisted in the KMP's KPC (Key Performance Criteria) /KRA (Key Result Area). Deferred compensation are subject to vesting period of three years.

ii. NON EXECUTIVE DIRECTORS:

The Company shall issue a letter of appointment to every Non-Executive Independent Director /Public Interest Director/ Shareholder Director.

The Non-Executive Directors would be paid for Board Meetings and any Committee Meetings attended by the Director. Different amount of sitting fees may be paid for different types of meetings within limits as prescribed under the Act.

B) KEY MANAGERIAL PERSONNEL

The remuneration components payable to KMP may be:

1 Fixed/ Basic Compensation

Fixed compensation, which is most commonly paid in the form of base salary, is based on the role and experience of the individual, his or her individual sustained long-term performance, and market positioning. Base salary is set at levels designed to retain Key Managerial Personnel throughout business cycles.

2 Variable Compensation

The level of variable compensation granted, referred to as a discretionary variable incentive which is factored in the Compensation of the KMP, is entirely at the discretion of the Compensation Committee/Board, and may be zero in cases as deemed fit by the Compensation Committee/Board. The Compensation Committee/Board makes decisions on variable compensation based on absolute and relative performance of the Exchange and its Divisions, as well as pre-agreed individual performance objectives of KMP's, market positioning, and a variety of other factors. The variable pay shall not exceed one-third of total pay.

3 Deferred Compensation

50% of variable compensation is deferred to reflect the nature of the Exchanges business, its risk profile, and the desire to have compensation plans that are based on sustainable performance criteria, which are enlisted in the KMP's KPC (Key Performance Criteria) /KRA (Key Result Area). Deferred compensation are subject to vesting period of three years.

4 Prohibition on ESOPs and Equity Linked Instruments

ESOPs and Equity Linked Instruments shall not be issued as part of compensation of KMPs from the effective date of this Policy. The ESOPs that have already been granted to KMPs before coming into effect of the SEBI Circular CIR/MRD/DSA/33/2012 dated December 13, 2012 shall not be exercised by the respective KMPs in contravention of the regulations/guidelines issued by SEBI from time to time.

C) SENIOR MANAGEMENT PERSONNEL & EMPLOYEES

Remuneration to senior management and employees comprises of fixed component only. The same is reviewed annually based on the performance appraisal ratings.

VII. MALUS AND CLAWBACK ARRANGEMENT

The compensation arrangement shall contain a general provision of Malus and Clawback that enables the Exchange to cancel outstanding Deferred compensation or a part of the Total Compensation if the employees engages in activities that results in, or have the potential to result in, material harm financial, reputational, or any other cause which may be detrimental to the interests to the Exchange.

Malus and Clawback are defined in SEBI circular CIR/MRD/DSA/33/2012 dated December 13, 2012, as follows:

1) A Malus arrangement permits the Exchange to prevent vesting of all or part of the amount of a deferred remuneration.
2) A Clawback is a contractual agreement between the employee and the Exchange in which the employee agrees to return previously paid or vested remuneration to the Exchange under certain circumstances.

As defined above, Malus shall be only applicable to all or part of the deferred and as yet unvested Compensation if any and Clawback shall be applicable to the previously paid or vested compensation. The Compensation Committee or the Board shall on occurrence of the following events attributable directly or indirectly to the particular KMP, either singly or jointly with other persons, initiate action/recoveries/prevent vesting under the Malus and Clawback clauses:

Fraud

a) Gross negligence which has caused or may cause significant financial losses or reputational harm to the Exchange
b) Misfeasance and nonfeasance which has caused or may cause significant financial losses or reputational harm to the Exchange
c) Any act amounting to Criminal Breach of Trust
d) Conviction for an offence involving moral turpitude
e) Fraudulent Financial reporting
f) Ethical Misconduct
g) Overstating/misstating financial indicators or other performance criteria either at the company level or individual level with a view to get an increased variable pay
h) Breach of confidentiality or trade secrets

Clawback shall be applicable to the complete variable compensation which is vested in the previous year and in case there is no variable component in the compensation of particular KMP, it would be applicable upto 10% of the fixed compensation drawn in the previous year. All recoveries or compensation returned by the KMP's under Clawback, would be net-off of taxes and levies in that respective year(s).

"In case of separation or resignation or termination of the service of the employee for any reason other than misconduct, the deferred variable component shall remain with the Exchange for the remaining period and shall be paid after the completion of vesting period at the discretion of the Nomination and Remuneration cum Compensation Committee, to only those employees who have completed minimum three years of service in the Exchange."

In case of death of the Employee, the deferred compensation shall be payable to legal heirs or successors of the Employee after the completion of the vesting period, subject to the legal heirs or successors of the Employee producing all such documents as may be required by the Exchange to prove the succession to the assets of the deceased employee

In case of the retirement or termination of service of the employee due to early retirement pursuant to scheme of voluntary retirement as formulated by the Exchange, if any. The deferred compensation shall be payable after completion of the vesting period as specified in the Compensation Policy.

VIII. EQUAL COMPENSATION OPPORTUNITY

The Exchange does not tolerate any form of discrimination, in particular discrimination based on ethnicity, nationality, gender, identity, religion, age, marital or family status, pregnancy, disability or any other status that is protected by law of the country and the Constitution of India. The Exchange encourages a safe and healthy work environment, free from discrimination, harassment and retaliation. All employment-related decisions, including decisions on compensation, are based on an individual's qualifications, performance and behaviour, or other legitimate business considerations. Legitimate business considerations may include (though need not be restricted to) the profitability of the Exchange, the Division and department of the individual, industry practice, the strategic needs of the Exchange as well as any other considerations that the Exchange deems legitimate to its business interests.

IX. BOARD DIVERSITY

The Board shall have an optimum composition of Directors by ensuring experts from different fields viz. finance, law, management, sales, marketing, engineering, research, technical operations or any other areas related to the Company's business. There will be a balance of skills & experience to steer the Company towards achievement of its short term and long term objectives.

X. **EVALUATION**

The Performance evaluation is to be conducted as per the provision of the Companies Act, 2013 and Listing Agreement. The Committee shall carry out evaluation of performance on a yearly basis.

The Committee shall monitor and review board evaluation framework, conduct an assessment of the performance of the Board against criteria as determined and approved by the Committee.

The performance evaluation of Independent Directors shall be done by entire Board of Directors, excluding the director being evaluated and evaluation of the board as a whole shall be done by the Independent Directors.

XI. AMENDMENT

Based on the recommendation of the Committee, the Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate, in accordance with any amendment to the applicable provisions of Companies Act, 2013, including rules thereof and / or the provisions of the Listing Agreement.

ANNEXURE V

STATEMENT PURSUANT TO RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND REGULATION 27(5) OF THE SECC REGULATIONS

FOR THE PERIOD FROM APRIL 1, 2017 TO MARCH 31, 2018

Name & Qualifications	Age	Designation	Remuneration received (Rs.)	Experience in years	Date of commencement of employment	Previous employment	Nature of employment (contractual or otherwise)
Udai Kumar B. Sc., (Physics), M.Sc. (Physics), MBA (Finance)	58	MD & CEO	84,12,213	32.04	22-Jan-2016	Metropolitan Clearing Corporation of India Ltd.	Permanent
Abhijit Chakraborty B.Com, MBA (Finance)	46	Chief Operating Officer - Strategy & Development	55,82,951	20.10	7-Dec-2015	Motilal Oswal Financial Services Ltd.	Permanent
Kunal Suresh Sanghavi CISA, CA, PGPMAX, Bcom	34	Chief Financial Officer 12-Feb-2018 to till date	5,56,892	11.00	12-Feb-2018	Angel Broking Pvt. Ltd.	Permanent
A. Sebastin MSc, MPhil, CFA	58	Chief Operating Officer - Market Operations 19-Nov-2008 to 30-Mar-2018	61,79,297	34.11	19-Nov-2008	National Stock Exchange of India Ltd.	Permanent
Chetan Utture B.E. (Production), MBA (Finance), CFA Level II, CMA	47	Chief Financial Officer 15-Nov-2016 to 13-Oct-2017	15,69,483	20.01	13-Oct-2016	Unify Enterprise Communications Pvt. Ltd	Probation
Sridevi Pillalamarri B.Com, C.S., L.L.B.	33	Compliance Officer - Investor Grievance & Arbitration and Compliance 24-Aug-2016 to 29-Jan-2018	10,23,169	11.10	24-Aug-2016	Barclays Shared Services Pvt. Ltd.	Permanent
Rathindra Das B.com (H), C.S., L.L.B.	36	Head-Legal and Company Secretary 27-03-2017 to 5-Jan-2018	18,72,697	11.04	27-Mar-2017	NSEIT Ltd.	Probation
Savio Paul Gerald Dsouza B.Sc, PGDBM	41	Head - Human Resources	34,03,248	12.06	21-Apr-2017	Anand Rathi Group	Permanent
Kundan Zamvar B.Com	42	Chief Information Security Officer	25,32,706	16.10	04-Apr-2013	Auditime Quality Management Pvt Ltd	Permanent
Anish Kumar B.Com, Diploma in Corporate Law, C.S.	40	Assistant Vice President - Listing 01-04-2009 to 03-Nov-2017 Compliance Officer - Investor Grievance & Arbitration and Compliance 04-11-2017 to till date	38,65,918	16.09	1-Apr-2009	National Stock Exchange of India Ltd.	Permanent
Kirit Dodiya B.Com, CA	45	Vice President - Inspection 02-Mar-2009 to 21-Feb-2018	23,61,577	20.11	2-Mar-2009	Camphor and Allied Products Ltd.	Permanent
Sripriya Senthilkumar B.Sc., PGDFM, MBA (Finance)	48	Assistant Vice President - Inspection 6-Feb-2017 to 07-Mar-2018	21,63,433	25.07	6-Feb-2017	The Calcutta Stock Exchange Ltd.	Probation
Devanshu Desai B.E	**37**	Head - Technology	36,87,971	12.01	6-Apr-2017	Angel Broking Pvt. Ltd.	Permanent
Rajesh Bagwe B.Sc, Masters of Labour Studies, L.L.B.	53	Vice President – Human Resources	14,47,064	27.08	1-Nov-2012	Multi Commodity Exchange of India Ltd.	Permanent
Jagannath Raghuveer Kulkarni B. Sc. (I.T.), Diploma (Electronics & Tele-communications)	56	Vice President - Technology	7,11,534	25.11	16-Nov-2015	Trimax IT Infrastructure & Services Ltd.	Permanent
			4,53,70,153				

Notes:

1. None of the above employees is a relative of any Director or Manager of the Company.

2. None of the employees hold any equity shares in the Company within the meaning of clause (iii) of sub-rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

For and on behalf of the Board of Directors

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Date: August 13, 2018
Place: Mumbai

ANNEXURE VI

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2017-18, and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

Sr. No	Name of Director/KMP and Designation	% increase (decrease) in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1	Prof (Mrs.) Ashima Goyal* Public Interest Director *(Retired w.e.f. September 30, 2017)*		
2	Mr. Dilip G. Patwardhan* Public Interest Director *(Resigned w.e.f. August 7, 2018)*		
3	Mr. Dinesh Kumar Mehrotra * Chairman and Public Interest Director		
4	Mr. Ketan Vikamsey* Public Interest Director *(Appointed w.e.f. April 5, 2017)*		
5	Mr. Ajai Kumar* Public Interest Director *(Appointed w.e.f. April 5, 2017 and resigned w.e.f. August 6, 2018)*		
6	Mr. Sudhir Bassi* Shareholder Director *(Appointed w.e.f. November 2, 2017)*		
7	Mr. Udai Kumar** Managing Director & CEO *(w.e.f January 22, 2016)*	Not applicable	1:14.60
9	Mr. Chetan Utture Chief Financial Officer *(w.e.f. November 15, 2016 to October 13, 2017)*	Not applicable	Not applicable
10	Mr. Kunal Sanghavi Chief Financial Officer *(w.e.f. February 12, 2018)*	Not applicable	Not applicable
11	Mr. Rathindra Das Company Secretary *(w.e.f. March 30, 2017 to January 5, 2018)*	Not applicable	Not applicable

Note: *Public Interest Directors (Independent Director) and Shareholder Director received only sitting fees and no remuneration is paid.

(i) the percentage increase in the median remuneration of employees in the financial year 2017-18 is 4.31%

(ii) the number of permanent employees on the rolls of company as on March 31, 2018 are 150 employees

(iii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; - The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 7.50%.

(iv) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

ANNEXRE VII

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2018

(Pursuant to section 204(1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members of
Metropolitan Stock Exchange of India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Metropolitan Stock Exchange of India Limited** (CIN: U65999MH2008PLC185856)(hereinafter referred as "The Company"). We have conducted Secretarial Audit in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covered for the financial year ended 31st March, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period covering for the financial year ended 31st March, 2018, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
(iii) The Securities Contracts (Regulation)(Stock Exchanges and Clearing Corporations) Regulations, 2012 and Circular dated December 13, 2012 (CIR/MRD/DSA/33/2012) and other Circulars;
(iv) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(v) The Depositories Act, 1996 and the regulations and bye laws framed there under;
(vi) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act);
a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
d) SEBI (Share based employees benefits) Regulations, 2014;
e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(vii) Other specifically applicable laws to the Company during the period under review;
(i) Income Tax Act, 1961;
(ii) Service Tax/GST;
(iii) Provident Fund;
(iv) Professional Tax;
(v) Tax Deducted at Source;
(vi) Value Added Tax(VAT) & Central Sales Tax(CST);

We have also examined compliance with the applicable clause of the following:
(i) Secretarial Standards issued by The Institute of Company Secretaries of India
(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by SEBI.

Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

We further report that

The Board of Directors of the Company consists of sufficient number of Public Interest Directors, Managing Director etc. as required under the Act and Regulations. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board and committees were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period;

Mr. Ajai Kumar and Mr. Ketan Vikamsey, were appointed as Public Interest Directors with effect from 5th April, 2017;

Mr. Sudhir Bassi was appointed as a Shareholder Director of the Company with effect from *November 2, 2017*, who is liable to retire by rotation, which is in compliance with the provisions of section 152 of the Companies Act, 2013. Prior to the same, the Board of Directors of the Company did not include any Director who was liable to retire by rotation;

The Company issued 72,06,47,359 Equity Shares out of the unsubscribed portion of rights issue made in financial year 2016-17. The Company has, thereafter, issued 159,25,90,703 Equity Shares of Re.1/- (Rupee One Only) at a price of Rs.1.30/- aggregating to Rs.207,03,67,914/- by way of Right issue vide its Board Resolution dated 11th August, 2017.

Mr. Rathindra Das, Company Secretary of the Company, has tendered his resignation with effect from 5th January, 2018;

Mr. Chetan Utture, Chief Financial Officer of the Company, has resigned and in his place Mr. Kunal Sanghavi was appointed as Chief Financial Officer of the Company with effect from 12th February, 2018;

For DSM & Associates,
Company Secretaries

CS Sanam Umbargikar
Partner
M.No.26141.
CoP No.9394.

Date: May 10, 2018
Place: Mumbai.

Annexure - 1:

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness, appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DSM & Associates,
Company Secretaries

CS Sanam Umbargikar
Partner
M.No.26141.
CoP No.9394.

Date: May 10, 2018
Place: Mumbai.

ANNEXURE VIII

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. **Registration and other details:**

CIN	U65999MH2008PLC185856
Registration Date	August 14, 2008
Name of the Company	Metropolitan Stock Exchange of India Limited
Category / Sub-Category of the Company	Company Limited by shares Indian Non-Government Company
Address of the Registered office and contact details	Vibgyor Towers, 4th Floor, Plot no. C-62, G Block Bandra Kurla Complex, Bandra (East), Mumbai- 400098. Tel No: 022 61129000 Email Id: secretarial@msei.in
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Unit : Metropolitan Stock Exchange of India Limited Selenium Tower B, Plot numbers 31 & 32 Nanakramguda, Financial District, Gachibowli Hyderabad - 500 032 Email: einward.ris@karvy.com Tel.No.: +91-040-6716 2222 **Contact person** Ms. Rajitha Cholleti Sr. Manager- Corporate Registry E-Mail: einward.ris@karvy.com Tel. No.: +91-040-6716 2222

II. Principal business activities of the company

No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Exchange Operation	66110	100%

III. Particulars of holding, subsidiary and associate companies as on March 31, 2018:

S. No	Name And Address Of The Company	CIN/GIN	Holding/ Subsidiary / Associate	% Of Shares Held	Applicable Section
1	Metropolitan Clearing Corporation of India Limited	U67120MH2008PLC188032	Subsidiary	95.85%	2(87)(ii)
2	MCX SX KYC Registration Agency Limited	U65923MH2012PLC227604	Wholly owned Subsidiary	100%	2(87)(ii)

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity) as on March 31, 2018

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2017)				No. of Shares held at the end of the year (March 31, 2018)				% change during the year
	Demat	Phy-sical	Total	% of Total Shares	Demat	Phy-sical	Total	% of Total Shares	
A. Promoters									
(1) Indian (A)(1)	-	-	-	-	-	-	-	-	-
(2) Foreign (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	65,46,13,376	-	65,46,13,376	26.56	71,87,82,564	-	71,87,82,564	15.03	-11.53
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	65,46,13,376	-	65,46,13,376	26.56	71,87,82,564	-	71,87,82,564	15.03	-11.53
2. Non-Institutions									
a) Bodies Corp & LLP	80,57,11,565		80,57,11,565	32.69	89,41,59,803		89,41,59,803	18.71	-13.98
i) Indian									
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual share- holders holding nominal share capital up to Rs. 1 lakh	3,01,06,051	-	3,01,06,051	1.22	69,24,50,958	-	69,24,50,958	14.46	13.24
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	74,36,88,641	-	74,36,88,641	30.18	2,14,16,63,526	-	2,14,16,63,526	44.78	14.6
c)Others(specify)									
Trust	56,72,734	-	56,72,734	0.23	56,72,734	-	56,72,734	0.12	-0.11
HUF	10,62,76,750	-	10,62,76,750	4.31	21,02,75,852		21,02,75,852	4.40	0.09
Partnership firm	11,84,64,797	-	11,84,64,797	4.81	11,93,63,496	-	11,93,63,496	2.50	-2.31
Sub-total (B)(2)	1,80,99,20,538	-	1,80,99,20,538	73.44	4,06,35,86,369	-	4,06,35,86,369	84.97	11.53
Total Public Shareholding (B)=(B)(1)+(B)(2)	2,46,45,33,914	-	2,46,45,33,914	100.00	4,78,23,68,933	-	4,78,23,68,933	100.00	-
by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2,46,45,33,914		2,46,45,33,914	100.00	4,78,23,68,933		4,78,23,68,933	100.00	-

II. Shareholding of Promoters- the Company does not have any Promoter, hence, this disclosure is not applicable.

III. Change in Promoters' Shareholding- the Company does not have any Promoter, hence, this disclosure is not applicable.

IV. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs

Sr. No.	Name	Shareholding at the beginning of the year (April 1, 2017)		Date	Increase/Decrease in shareholding	Reason	Cumulative shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of shares	% of total shares				No. of shares	% of total shares
1	MULTI COMMODITY EXCHANGE OF INDIA LIMITED	33,17,77,008	13.46	1-Apr-2017	0	-	33,17,77,008	13.46
				31-Mar-2018			**33,17,77,008**	**6.94**
2	SIDDHARTH BALACHANDRAN	-	-	14-July-2017	14,54,70,000	Subscribed in Rights Issue	14,54,70,000	4.57
				6-Oct-2017	9,29,39,950	Subscribed in Rights Issue	23,84,09,950	4.99
				31-Mar-2018		**-**	**23,84,09,950**	**4.99**
3	RADHAKISHAN S DAMANI	11,84,64,797	4.81	1-Apr-2017		-	11,84,64,797	4.81
				14-Dec-2017	8,98,699	Conversion of warrants	11,93,63,496	2.50
				31-Mar-2018			**11,93,63,496**	**2.50**
4	TRUST INVESTMENT ADVISORS PRIVATE LIMITED	11,91,15,930	4.83	1-Apr-2017	0	-	11,91,15,930	4.83
				31-Mar-2018			**11,91,15,930**	**2.49**
5	JHUNJHUNWALA RAKESH RADHESHYAM	11,91,08,353	4.83	1-Apr-2017	0	-	11,91,08,353	4.83
				31-Mar-2018			**11,91,08,353**	**2.49**
6	UNION BANK OF INDIA	7,25,00,000	2.94	1-Apr-2017		-	7,25,00,000	2.94
				6-Oct-2017	3,62,50,000	Subscribed in Rights Issue	10,87,50,000	2.94
				31-Mar-2018			**10,87,50,000**	**2.27**
7	STATE BANK OF INDIA	9,74,00,000	3.95	1-Apr-2017	0	-	9,74,00,000	3.95
				31-Mar-2018			**9,74,00,000**	**2.04**
8	NEMISH S SHAH	9,73,70,000	3.95	1-Apr-2017	0	-	9,73,70,000	3.95
				31-Mar-2018			**9,73,70,000**	**2.04**
9	AADI FINANCIAL ADVISORS LLP	9,73,50,000	3.95	1-Apr-2017	0	-	9,73,50,000	3.95
				31-Mar-2018			**9,73,50,000**	**2.04**
10	MAIANK BHARAT KUMAR MEHTA	8,87,54,112	3.60	1-Apr-2017	0	-	8,87,54,112	3.60
				31-Mar-2018			**8,87,54,112**	**1.86**

V. Shareholding of Directors and Key Managerial Personnel: -

Sr. No.	Name	Shareholding at the beginning of the year (April 1, 2017)		Date	Increase/Decrease in shareholding	Reason	Cumulative shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of shares	**% of total shares**				**No. of shares**	**% of total shares**
1	ANISH KUMAR	80,890	0.00	1-Apr-2017	-		80,890	0.00
				31-Mar-2018	-		**80,890**	0.00
2	KUNDAN ZAMVAR	60,000	0.00	1-Apr-2017	-		60,000	0.00
				6-Oct-2017	3,40,000	Subscribed in Rights Issue	4,00,000	0.01
					(1,00,000)	Sale	3,00,000	0.01
				31-Mar-2018			**300,000**	0.01
3	KIRIT DODIYA	90,890	0.00	1-Apr-2017	-		90,890	0.00
				6-Oct-2017	3,50,000	Subscribed in Rights Issue	4,40,890	0.01
				31-Mar-2018			**4,40,890**	0.01

V. Indebtedness - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial Year				
• Addition	Nil	Nil	Nil	Nil
•Reduction	Nil	Nil	Nil	Nil
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (in Rs.)

Sr. no.	Particulars of Remuneration	Mr. Udai Kumar
		MD & CEO
		(April 1, 2017 to March 31, 2018)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	81,95,865
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
	(c) Profits in lieu of salary under section17(3) Income- tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission	Nil
5	Others, please specify	Nil
	Total (A)	81,95,865
	Ceiling as per the Act	As per Schedule V Part II Section II of Companies Act 2013

B. Remuneration to other directors: (in Rs.)

Sr. no.	Particulars of Remuneration	Name of Directors						Total
		Ashima Goyal	D.G. Patwardhan	Dinesh Kumar Mehrotra	Ketan Vikamsey	Ajai Kumar	Sudhir Bassi	
1	Independent Directors • Fee for attending board committee meetings	2,43,000	7,83,000	6,39,000	5,40,000	6,93,000		
	• Commission	NIL	NIL	NIL	NIL	NIL		
	• Others, please specify	NIL	NIL	NIL	NIL	NIL		
	Total (1)	2,43,000	7,83,000	6,39,000	5,40,000	6,93,000		28,98,000
2	Other Non-Executive Directors • Fee for attending board committee meetings						3,28,500	
	• Commission						NIL	
	• Others, please specify						NIL	
	Total (2)						3,28,500	3,28,500
	Total (B)=(1+2)							32,26,500
	Overall Ceiling as per the Act	Sitting fees not exceeding Rs. 1,00,000 per meeting of the Board and Committee meetings in terms of Rule 4 of the Companies(Appointment and Remuneration of Managerial Personnel), Rules, 2014.						

C. **Remuneration to key managerial personnel other than MD/Manager/WTD** (in Rs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Financial Officer (Mr. Chetan Utture) (From 15.11. 2016 To 13.10.2017)	Chief Financial Officer (Mr. Kunal Sanghavi) (From 12.02.2018 to 31.03.2018)	Company Secretary (Mr. Rathindra Das) (From 27.03.2017 to 05.01.2018)	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,99,639	5,39,312	18,22,309	38,61,260
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify.	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**14,99,639**	**5,39,312**	**18,22,309**	**38,61,260**

VII. Penalties / Punishment/ Compounding of offences – None

For and on behalf of the Board of Directors

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Date: August 13, 2018
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Metropolitan Stock Exchange of India Limited ("MSE") is a recognized national level stock exchange in India. MSE offers an electronic platform for trading in Currency Derivatives, Interest Rate Derivatives, Equity Cash & Equity Derivatives segments and Debt Market segment.

The Exchange employs advanced trading technology and IT infrastructure with significant scalable capacity and proven capability of handling high volume trades. Its subsidiary Metropolitan Clearing Corporation of India Limited (MCCIL) employs state-of-the-art Risk management systems with sizeable Settlement Guarantee Fund and zero-default record since inception.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian stock exchange space spans many asset classes – equities, equity derivatives, currency derivatives, corporate and government bonds, interest rate derivatives, and commodity derivatives, etc. Stock exchanges in India are primarily regulated by the Securities and Exchange Board of India (SEBI).

With a view to develop capital markets, aid development of various financial products and achieving financial inclusion in various geographies, SEBI has given Equity and Equity Derivatives licenses to three (3) national level stock exchanges in the country, being BSE, NSE and the Company. Apart from these, there are commodity exchanges.

Along with the stock exchanges, other market infrastructure institutions comprise depositories and clearing corporations that conduct the function of holding the traded securities in dematerialized form and providing novation, clearing, settlement and guarantee, counter party risk management respectively.

In the board meeting held on December 28, 2017, SEBI approved a slew of reforms, among which is formation of a universal exchange, i.e. integrating trading in equities, currency and commodities on a single platform from October 1, 2018. This move will help participants in various markets with a highly regulated, safer and more transparent trading, clearing and settlement framework. Moreover, universal exchange offers significantly greater convenience for investors and traders, who will be able to trade in all asset categories from a single account. They will also reap benefits arising from enhanced competition across all categories, thus creating deeper markets with lower spreads and transaction charges. This move has the potential to transform India's capital markets in the coming years and make available a large spectrum of products to the common investor.

The scope and breadth of stock exchanges is being increased gradually especially with universal exchange regulation being progressed and in the Exchange Traded Currency Derivatives (ETCD) market. The regulator has allowed introduction of Cross Currency trading on exchange platforms. SEBI has issued a circular no: SEBI/HO/MRD/DP/CIR/P/2017/102 dated September 13, 2017 regarding Clarification on Exchange Traded Cross Currency Derivatives contracts on EUR-USD, GBP-USD and USD-JPY currency pairs. Circular specifies additional proprietary level Position limits at Bank and Non-Bank levels. The Exchange is awaiting approval of the securities market regulator in this regard. This move shall help expand the market and be an alternative to OTC cross currency deals. Further, SEBI has also laid down the frame work for introducing option contracts in GBP-INR, EURO-INR and YEN-INR. SEBI has allowed FPIs and NRIs to directly trade in Currency pairs. These moves are likely to expand and deepen the exchange traded currency market in India.

SEBI has been introducing newer contracts in Interest Rate Futures to gradually build up the yield curve.

The Bond trading segment is receiving utmost importance from the government and the regulator. Introduction of Sovereign Gold Bonds and Savings Bonds, allowing FPIs to directly trade in Indian bonds, introduction of Liquidity Enhancement Schemes in Bond trading are steps in that direction. Recent amendment in regulations had also allowed introduction of trading in Security Receipts issued by Asset Reconstruction companies. This is a promising new segment for stock exchanges.

It is expected that the growth of Indian stock exchanges shall be led by product innovation in established segments, evolution of new financial products and acceptance of new products by market participants.

OPPORTUNITIES AND THREATS

The financial sector is an ever-evolving space, with new opportunities and pitfalls, and thus the need for having an efficient platform for hedging and trading. MSE as a market infrastructure institution is committed to providing a diverse product basket with Currency Futures, Currency Options, Interest Rate Futures, Debt Market Equity and Equity Derivatives, along with efficient operational parameters and customer-oriented service offerings to enable an efficient and robust marketplace. It is pertinent to note that, the Non-equity products like Debt, Currency, Startup trading, ETFs have a higher potential market size.

The Exchange has facilitated members a ready-to-use data center with a hosted trading software, which provides instant connectivity at reduced latency to members, without any infrastructure cost or time delay. Members in or outside Mumbai can get immediate connectivity to the Exchange through this high-speed, ready-to-use data center. Last-mile linkage is enabled through web, thus eliminating time and cost for the PoP / P2P network. All the above services come at no cost to members, in effect eliminating time and cost factors of Exchange connectivity.

The Exchange provides services like on demand CTCL, Web Trading, Algo and Co-location Connectivity at no cost through its empanelled vendors – ODIN, NOW and uTrade. Members can directly avail the services through the vendors at no direct license cost. For facilitating Algo Traders better, an Algo Test Lab has been setup in the Co-location facility. This will enable members to bring in their own Algo or ISV developed Algo, to test in this setup with data feed. This move will help them test their Algo strategies by running programs/strategies and then start trading.

SEGMENT WISE PERFORMANCE

The Exchange currently operates four trading platforms which may be considered as different lines of business within the same business segment. Accordingly, the Exchange has only one reportable segment within the meaning of “Accounting Standard 17 – Segment Reporting”.

Capital Market Segment

The Company commenced trading in Capital Market from February 11, 2013 onwards. 12 securities were traded on MSE platform during the FY 2017-18 as against 22 securities in the previous FY 2016-17. Total volume i.e. traded quantity on MSE platform during the FY 2017-18 in the Capital Market Segment was 1,51,78,948 shares and the total value traded being Rs 192.77 crore.

COMPANIES LISTED ON THE EXCHANGE:

During the year under review, the Exchange has been aggressively listing new companies on its equity platform. The count of listed companies increased from 241 in FY 2016-17 to 270 in FY 2017-18. This includes companies listed on other nationwide stock exchanges as well as companies from regional stock exchanges. As on March 31, 2018, out of the 270 listed companies, there are 218 companies which are exclusively listed on MSE. The Exchange has attracted these companies by demonstrating various unique services especially designed for companies and reasonable fee structure.

OUTLOOK

MSE’s ongoing commitment is to enhance diversification and depth in the Indian capital market, by providing differentiated products and capital positioning required in the asset classes that would drive corporate and national growth. MSE is making efforts for inclusion of large, currently underserviced niches into the broader capital market, especially banks, insurance and individual investors.

Consequently, MSE functions with advanced technology for trading, market risk control and provision of central counter party guarantees. Towards this end, MSE is well capitalized and has the full faith and support of the regulators, shareholders and its Board.

As an exchange, we are gearing up to meet the opportunities on all these fronts. The exchange is uniquely poised to provide bespoke service-based platform offerings in the Listing space including for SME’s. There is an upcoming roll out planned for an “On the Web” trading application and a few other value added service based platform offerings. MSE recently launched “e-BID” the Electronic Book Provider (EBP) platform for issuance of debt securities on a private placement basis. This will also enable transparent price discovery. MSE’s focus will continue to be on currency derivatives, fixed income and is reviving its working to SME segment. MSE is working aggressively for uptake of its equity platform and indices and will foster various businesses of the Exchange.

MSE is reviving its Equity Segment by working on various aspects relating to technology and products. MSE is recalibrating its flagship indices to enhance its acceptability and plans to actively promote trading of derivatives contracts based on these indices. We believe that these efforts will serve as the gateway for growth of our Equity and Equity Derivatives segment and will stimulate expansion of overall business and visibility of the Exchange.

The company is currently focused on developing market share in currency, IRFs and Equity and Equity Derivatives. The new products shall be in the above mentioned segments for deepening company’s presence in these segments.

The Company is working on developing new products and eco-system for promoting bond trading and SME listings. The Company is also working on reviving Equity and especially Index Products. There are two parts to Index Products, one is to revive all technical aspects like aligning index methodologies, computation and publishing of Index and appropriately popularising the same. This leg brings Product in Market. Next leg is about distribution by appropriately activating the members and making them trade on Index Products through appealing contract specification and technological differentiation which makes it easy for members to trade.

The overall business plan involves a 360 degree focus on business positioning, members’ engagement, branding, advertising, product development and business process efficiencies.

The Company shall continue to optimise its cost structure while incurring necessary business expenses. Operating expenses such as clearing & settlement charges, rent, annual maintenance contract charges for technology platforms shall be further reduced.

Another major achievement of the Company in FY 2017-18 was that it could successfully fund its subsidiary MCCIL to meet regulatory networth requirement. In FY 2017-18, MCCIL also received recognition from the European Securities Market Authority (ESMA) as a third country CCP under European Market Infrastructure Regulation (EMIR). Leveraging on a sound capital base, state of art risk management & clearing and settlement systems and long track record of default free settlements, MCCIL is in advanced stage of expanding its business by providing clearing and settlement services to other SEBI recognised stock exchanges. The Company is confident on the capability of its subsidiary to add value to MSE’s shareholders.

RISKS AND CONCERNS

The Company faces competition from existing and potential new players in the industry, which could adversely affect our business, operations and financial situation.

The Company operates in a very competitive environment and faces competition from BSE and NSE in its product segments. There could also be newer exchanges starting operations in these segments. MSE has a well differentiated market and product strategy to carve a niche. We face significant competition for listings, clearing, trading and settlement in its product segments. As a result of increased liberalization and globalization of the world capital markets, industry consolidation and an increasing number of traditional and non-traditional trading venues, we expect such competition to continue. We compete with national market participants in India, in a variety of ways, including the cost, quality and speed of trade execution, market liquidity, functionality, ease of use and performance of trading systems, the range of products and services offered to customers and listed companies, and technological innovation and reputation. Some of these competitors are also among our largest customers.

Increased competition from existing and potential competitors, such as the BSE and the NSE for equity-based products and currency products, could cause us to experience a decline in our share of listing, clearing, trading and settlement activity. Such a decline would translate into a decrease in associated transaction fees, clearing and settlement fees, our proportionate share of market data fees, net investment income, custody fees and other related revenue, which would materially adversely affect our financial conditions and results of operations. In addition, increased competition particularly in a highly regulated environment may exert a downward pressure on fees in order for us to remain competitive, which could materially adversely affect our business, financial condition and results of operations. We could lose a substantial percentage of our market share of trading or listings if we are unable to effectively compete on price, or our profit margins could decline if we reduce pricing in response to increased competition.

If we fail to compete successfully, our business, financial condition and results of operations may be materially adversely affected.

The Company is exposed to credit risks with respect to our clearing members.

The settlement of trades executed on the exchange is guaranteed through an independent and qualified clearing corporation, MCCIL which is a 95.85% subsidiary of MSE. MCCIL assumes the central counterparty risk for each trade cleared and incurs credit exposure to clearing participants. As a result, MCCIL is subject to credit risk, liquidity risk, settlement risk and collateral risk in clearing and settlement business. Clearing participants may encounter economic difficulties for a variety of reasons, which could result in default on settlement obligations. Besides settlement risk, MCCIL is also subject to liquidity risk when either a clearing member defaults or is delayed in fulfilling its obligations or when a clearing bank defaults or delays in facilitating the pay-out of funds. MCCUIL is also subject to collateral risk, where we are either unable to access the collateral deposited in a timely manner or face extreme market conditions that result in a reduction in the liquidation value of the collateral compared to the obligation which the collateral secures. Although MCCIL attempts to minimize exposure to such counterparty credit risks through rules and risk management measures, these measures may not be sufficient to detect problems and in certain circumstances, clearing participants might suffer difficulties that would impair their capacity to meet their financial performance obligations to MCCIL. If such impairment were to occur, MCCIL's measures to offset counterparty default risk and our financial resources, including the Core Settlement Guarantee Fund, might not prove sufficient to protect us from any counterparty defaults or from the material adverse effects of such defaults. Our results of operations could therefore be further materially adversely affected by losses sustained by MCCIL as a result of participant defaults on settlement obligations. Our business operations are also affected by timely and efficient transfer of securities to and from the depositories, NSDL and CDSL, by MCCIL.

Risk in delay in implementation, or failure to implement, our growth strategies.

The Company is in an expansion phase and is targeting to acquire a major market share in focused segments. There may be a risk of execution of the expansion strategy, which could impact the projected increase in the turnover of the Company and thereby directly or indirectly impacting the projected revenues. There may also be a lag effect in the percolation of the benefits of implementations of such a strategy. Further, our growth strategies, which involve various facets of operations, financial planning, product launches, brand building, vendor management, could be impacted due to internal or external factors.

Annual budgeting, break up of business plans into various projects and timelines, effective management information system and delegation are steps taken by the Company to ensure that we meet our timelines of implementation.

Execution Risk.

Your company operates in a manner wherein they create various plans and strategies to roll out various products in markets. Business is dependent on successful rollout of these products which includes identifying the product concept, structuring and completing the research around the product, testing the product in paper and dummy environment, doing technological development of software and related integrations with respective segments in markets. Further, there are SEBI approvals required to bring these products in the market.

Accordingly organization faces execution risk in making the product live in terms of facing challenges and hurdles in setting various above aspects completed successfully besides SEBI and regulatory approvals which can impact the launch or delay of the same.

Lastly execution in terms of appropriate branding and Marketing strategies is required to achieve the members and make clients to trade in exchange is one risk which also impacts the products, business and related revenues.

Exchange is proactively taking various steps to address and mitigate various above listed risks.

Accounting Risks.

Organization is faced with accounting risks wherein there are various assets capitalized in the Balance Sheet which may have to be impaired if there are no sufficient revenues that arise out of those assets over a period of time and there is a lack in Business benefits as per accounting regulation recently introduced that is Ind-AS.

Till now organization was tightly managing its cashflows and accordingly there is a Going Concern Qualification that Auditor provided in audit report.

We believe that after doing this fund raising, capital restructuring on account of SEBI announcement of reducing the Clearing Corporations networth from Rs. 300 crore to Rs. 100 crore and implementation of business plans to improve the business, this qualification by Auditor will be removed.

SEBI License:

Exchange renews and applies for its SEBI license every year. If the license is not renewed then it will impact the business and operations of the exchange. One of the critical component is fulfilling networth requirement of Rs. 100 crore by the Company (computed as per SEBI Regulations). We believe this requirement will be fulfilled and would be above the threshold requirements after capital restructuring.

Our operations are dependent on communications systems and technology platform. Any capacity constraints or failure that causes an interruption to our services or responsiveness could harm our reputation and business.

The exchange is well equipped to handle any unresponsiveness or interruption in trade execution, clearing or settlement due to power or telecommunications failure, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses/malwares, acts of vandalism or similar events.

We have an approved business continuity plan and a data disaster recovery plan in effect, to mitigate business interruptions from the aforesaid risks. We have improved latency and backup of our communication systems. Regular system audits are conducted for identifying risks and compliance. All necessary software and hardware upgradations are undertaken on time. Annual maintenance contracts are maintained for all critical communication functions and systems.

We operate in a highly regulated sector

We require a number of regulatory approvals for operation or growth of our business, and the failure to obtain the same in a timely manner or at all, may subject us to sanctions and penalties pursuant to inspection and supervision by regulatory authorities, including the SEBI, or otherwise adversely affect our operations.

We/our subsidiary, Metropolitan Clearing Corporation of India Limited (on whom we depend for clearing services) require a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of our business verticals. Further, our operations are subject to continuous review and the governing regulations may change. While we believe that we currently have or have applied for all material approvals required for our business/products, we may not have, or may not receive, all necessary approvals, or be able to obtain renewals of all our approvals within the time frames anticipated by us or may not obtain the same at all, which could adversely affect our business. Failure to obtain, renew or maintain any required approvals, permits or licenses or to meet any regulatory requirements may result in the interruption of all or some of our operations, constrain our ability to scale-up our business or to introduce new products and services and could materially and adversely affect our business and financial results.

Damage to our reputation could materially affect our business.

We operate in an industry where reputation and customer confidence (including that of issuers, financial intermediaries and investors) are extremely important. Due to the role that we perform in the Indian capital, derivatives and foreign exchange markets, errors in our transaction systems, interruptions in trading, operational errors, inadvertent leakages of confidential information relating to customers, court cases, press speculation or other unfavourable information could damage our brand and reputation. The actions of other entities in the exchange market, including issuers, financial intermediaries and competing trading platforms, acting contrary to accepted standards of conduct or market practice could undermine general confidence in the Indian markets and in our business. Finally, our members and employees may engage in fraud or other misconduct, and although we take precautions to prevent and detect this activity, such precautions may not be effective in all cases, which could result in sanctions or serious harm to our reputation.

We cannot guarantee that these issues will not occur, thereby resulting in market disruption, regulatory investigations and reputational damage. Damage to our reputation may cause some issuers not to list their securities on the exchange as well as steer investors to what they deem to be more reliable exchanges thereby reducing the trading volume on the exchange. As a result, such reputational damage or any litigation or investigations may affect our business, financial condition and results of operations.

IMPAIRMENT OF SOFTWARE

We await to see revival of equities segment and other revenue streams, however, if it does not materialize, impairments may have to be done for the software appropriately.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Exchange has implemented effective control systems to ensure that all its assets, interests and information are safeguarded with proper checks and balances. The Exchange has appointed Internal Auditors and Systems Auditors to ensure that the financial transactions, operational mechanism and technological infrastructure are error free. The Audit Committee is in overall supervision of the internal controls and reports are being made to the Board in a periodic manner.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Revenue

During the year, processing fees decreased to Rs. 2.38 crores compared to Rs. 6.71 crores in FY 2016-17. The listing fees increased in FY 2017-18 to Rs. 1.04 crores as compared to Rs.0.67 crores in FY 2016-17. Transaction fees declined to Rs. 2.17 crores in FY 2017-18 as compared to Rs. 4.56 crores in FY 2016-17. Total revenue from operations stood at Rs. 8.49 crores in FY 2017-18 as against Rs. 17.05 crores in FY 2016-17. The other income decreased to Rs. 5.11 crores in FY 2017-18 as compared to Rs. 11 crores in FY 2016-17

Expenditure

The operating expenses reduced from Rs. 15.18 crores in FY 2016-17 to Rs.13.34 crores in FY 2017-18. Employee benefit expenses, depreciation and amortization expenses and other expenses are also reduced. The Exchange has initiated advertisement and branding campaign resulting in an increase in advertising expenses to Rs. 8.04 crores in FY 2017-18 from Rs. 4.05 crores in FY 2016-17. The Finance cost is Nil for FY 2017-18 as compared to Rs.0.29 crores in FY 2016-17.

Balance Sheet

As on March 31, 2018, the share capital as on March 31, 2018 stood at Rs. 478.24 crores as against Rs. 246.45 crores as on March 31, 2017.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Our headcount as on March 31, 2018 stood at 150 as against 136 as on March 31, 2017. The Company has successfully handled attrition and is building a team through acquisition of competent talent for various key Exchange functionalities. Effectively and efficiently managing our human capital, moreover, successfully leveraging our human capital can help us achieve our strategic business objectives and success in the marketplace. A strong internal culture – one marked by high employee morale and engagement, learning & development programs, initiatives to increase workplace diversity can increase productivity, and ultimately, increase profits. The Company focuses to achieve such excellence through engagements in learning, quality, teamwork, and reengineering of the processes deployed at work.

DISCLAIMER ON FORWARD LOOKING STATEMENTS

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include economic conditions affecting demand and supply, government regulations and taxation, international scenario, macro-economic developments, natural calamities and so on over which the Company does not have any direct control.

CORPORATE GOVERNANCE REPORT

Metropolitan Stock Exchange of India Limited (MSE) (the Exchange) is a public limited company, the securities of which are not listed on any stock exchange. However pursuant to Regulation 35 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SECC Regulations 2012"), Corporate Governance norms as specified for listed companies shall mutatis mutandis apply to a recognised stock exchange.

1. Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance is to follow fair, ethical and transparent governance practices of highest order so as to achieve greater efficiency and effectiveness throughout the organization. We believe that Corporate Governance is a self-discipline code which means not only ensuring compliance with regulatory requirements but by also being responsive to our stakeholders needs.

As an integral part of its Corporate Governance philosophy, the Company is also committed to fair and equitable treatment of all its members and other participants in the Exchange systems.

Being a new generation Stock Exchange, the Company is uniquely positioned to realize the above philosophy. At MSE, Corporate Governance is an ongoing process. To keep pace with an evolving global environment, the Company continuously adapts to best governance practices for carrying its business in ethical and transparent manner.

The Company always endeavors to adopt highest corporate ethical standards in all its actions thereby reinforcing that the Company's Management is the trustee of its shareholders' capital and not the owner of it.

2. Board of Directors

A. Composition:

The Company being a Stock Exchange is regulated by SEBI and is required to comply with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and Securities Contracts (Regulation) Act, 1956 besides the Companies Act, 2013 and the rules made thereunder ("the Act") with respect to the composition of its Board of Directors. As on March 31, 2018, the composition of the Board of Directors is:

		DIN
Mr. Dinesh Kumar Mehrotra	Chairman & Public Interest Director	00142711
Mr. D.G. Patwardhan*	Public Interest Director	06914050
Mr. Ketan Vikamsey	Public Interest Director	00282877
Mr. Ajai Kumar**	Public Interest Director	02446976
Mr. Sudhir Bassi***	Shareholder Director	07819617
Mr. Udai Kumar	Managing Director & CEO	06750460

Prof. (Mrs.) Ashima Goyal, PID demitted office with effect from September30, 2017;
** Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018*
***Mr. Ajai Kumar resigned as PID with effect from August 6, 2018*
**** Mr.Sudhir Bassi, Shareholder Director, appointed with effect from November 2, 2017*

B. Attendance of Directors and Number of Directorships and Committee positions held

During the financial year ended March 31, 2018, five (5) meetings of the Board of Directors were held. The dates of the Board Meetings are: May 13, 2017, August 11, 2017, September 14, 2017, December 14, 2017 and February 15, 2018.
The attendance details and number of directorships and committee positions held by the Directors as on March 31, 2018 are given below:

Sr. No	Name of Director	Attendance at Board Meetings during FY 2017-18		Whether attended last AGM held on 14.09.2017	No. of Directorship(s) held in other companies		Number of Committee positions held in other public companies	
		Held during the tenure of the Director	Attended		Public Limited	Private Limited	Chairman	Member
1	Prof. (Mrs.) Ashima Goyal*	3	3	Yes	1	2	1	NIL
2	Mr. D.G. Patwardhan**	5	4	Yes	1	NIL	NIL	NIL
3	Mr. Dinesh Kumar Mehrotra	5	5	Yes	7	1	NIL	5
4	Mr. Udai Kumar	5	5	Yes	2	NIL	NIL	1
5	Mr. Ketan Vikamsey#	5	4	Yes	NIL	3	NIL	NIL
6	Mr. Ajai Kumar***	5	4	No	4	NIL	1	2
7	Mr. Sudhir Bassi##	2	2	-	NIL	NIL	NIL	NIL

**Prof. (Mrs.) Ashima Goyal demitted office with effect from September 30, 2017;*
*** Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018*
**** Mr. Ajai Kumar was appointed as PID with effect from April 5, 2017 & resigned as PID with effect from August 6, 2018;*
 # Mr. Ketan Vikamsey was appointed as PID with effect from April 5, 2017;
Mr. Sudhir Bassi was appointed as Shareholder Director with effect from November 2, 2017.

NOTES:

- All directors are Non-Executive and Public Interest Directors except Mr. Udai Kumar who is the MD & CEO and Mr. Sudhir Bassi who is a Non-Executive and Shareholder Director.
- All Public Interest Directors are Independent Directors
- Above Directorship excludes directorship in Section 8 Companies and Companies Incorporated outside India
- Memberships/ Chairmanships of only the Audit Committee and Stakeholders' Relationship Committee of all Public Companies have been considered above.
- None of the Directors are related to each other
- None of the Director hold any shares in the Company
- The weblink of directors' familiarisation programme imparted to independent directors is *http://www.msei.in/About-Us/policy /FAMILIARIZATION- PROGRAM-FOR PUBLIC INTEREST DIRECTOR*

Details of Directors

The profiles of the directors are available on the Company's website at the following link: https://www.msei.in/about-us/board-of-director

3. Audit Committee:

A. Composition, meetings and attendance:

During the year the Committee met four (4) times. The meetings were held on May 13, 2017, August 11, 2017, December 14, 2017 and February 15, 2018. Besides the members of the Audit Committee, Chief Financial Officer, representatives of the Statutory Auditors are permanent invitees to the Audit Committee meeting. The internal auditors are invited on case to case basis. The Company Secretary acts as the Secretary to the Committee and Mr. Ketan Vikamsey is the Chairman of the Committee. The details of the Composition and attendance of the members of the committee as on March 31, 2018 are listed below:

Members	Category	Meetings held during the tenure	Meetings Attended during the tenure
Prof. (Mrs.) Ashima Goyal* Public Interest Director	Independent Director	1	1
Mr. D.G. Patwardhan** Public Interest Director	Independent Director	4	3
Mr. Dinesh Kumar Mehrotra Chairman and Public Interest Director	Independent Director	4	4
Mr. Udai Kumar Managing Director & CEO	Executive Director	4	4
Mr. Ketan Vikamsey# Public interest Director	Independent Director	3	2
Mr. Ajai Kumar*** Public interest Director	Independent Director	1	1
Mr. Sudhir Bassi##	Shareholder Director	1	1

** Prof. (Mrs.) Ashima Goyal demitted office with effect from September30, 2017;*
*** Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018;*
**** Mr. Ajai Kumar was appointed as PID with effect from April 5, 2017 & resigned as PID with effect from August 6, 2018;*
 # Mr. Ketan Vikamsey was appointed as PID with effect from April 5, 2017;
Mr. Sudhir Bassi was appointed as Shareholder Director with effect from November 2, 2017.

B. Terms of Reference (TOR):

The terms of reference of the Audit Committee pursuant to Section 177 (4) of the Companies Act, 2013 read with Regulation 18 of Listing Regulations, 2015 is as stated below-

1. To oversee the Company's financial reporting process and the disclosure of its financial statements to ensure that the financial statement is correct, sufficient and credible;
2. To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
3. To approve the payment to statutory auditors for any other services rendered by the statutory auditors.
4. To review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3) (c) of the Companies Act, 2013
   b. Any changes in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by the management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. The going concern assumption;
   g. Compliance with accounting standards;
   h. Compliance with legal requirements concerning financial statements;
   i. Disclosure of any related party transactions.
   j. Qualifications in the draft audit report
5. To review with the management, the quarterly financial statements before submissions to the Board;
6. To review with the management, the statement of uses/applications of funds raised through an issue (rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a rights issue and making appropriate recommendations to the Board to take up steps in this matter.
7. To review and monitor the auditors independence and performance and effectiveness of audit process.
8. To grant approval or any subsequent modification of transactions of the Company with related parties.
9. To scrutinise inter corporate loans and investments.
10. To undertake valuation of undertakings or assets of the Company wherever it is necessary.
11. To evaluate internal financial control and risk management systems.
12. To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13. To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of internal audit.
14. To discuss with internal auditors any significant findings and follow up thereon;
15. To review the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control system of a material nature and report to Board;
16. To discuss with the statutory auditors before the audit commences, about the nature and the scope of audit as well as have post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review Company's financial risk management policies.
19. To examine financial statement and the auditor's report thereon.
20. To review the functioning of the Whistle Blower mechanism
21. To approve the appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

   In addition to the above, the Audit Committee shall mandatorily review the following information:
   1. Management discussion and analysis of financial condition and results of operations;
   2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
   3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
   4. Internal audit reports relating to internal control weaknesses; and
   5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

4. Nomination and Remuneration cum Compensation Committee:

A. Composition, meetings and attendance:

The Committee met four (4) times during the year. The meetings were held on August 11, 2017, November 30, 2017, December 14, 2017 and

February 06, 2018. The details of Composition and participation of the members at the meetings of the committee as on March 31, 2018 were as under:

Members	Category	Meetings held during the tenure	Meetings attended during the tenure
Prof. (Mrs.) Ashima Goyal* Public interest Director	Independent Director	1	1
Mr. D.G. Patwardhan** Public interest Director	Independent Director	3	3
Mr. Dinesh Kumar Mehrotra Public interest Director	Independent Director	4	4
Mr. Ketan Vikamsey# Public interest Director	Independent Director	4	4
Mr. Ajai Kumar*** Public interest Director	IndependentDirector	4	4
Mr. Sudhir Bassi##	Shareholder Director	3	3

*

Prof. (Mrs.) Ashima Goyal demitted office with effect from September30, 2017;
*** Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018;*
****Mr. Ajai Kumar was appointed as PID with effect from April 5, 2017 & resigned as PID with effect from August 6, 2018;*
 # Mr. Ketan Vikamsey was appointed as PID with effect from April 5, 2017;
Mr. Sudhir Bassi was appointed as Shareholder Director with effect from November 2, 2017.

B. Terms of Reference (TOR):

The Terms of Reference of the Nomination and Remuneration cum Compensation Committee of the Company pursuant to Section 178 of the Companies Act, 2013 read with Regulation 35 of the SECC Regulations and Regulation 19 of the Listing (Obligation and Disclosure Requirements) Regulation, 2015 is given below:

1. To decide the remuneration to be paid to any member or prospective member of the Senior Management, as may be referred to it by the Board or the Management Committee of the Board, in mutual consultation with such member or prospective member and in an objective manner, having regard to the interests of the Company and of its shareholders.
2. To formulate the compensation policy in line with the directions of SEBI;
3. To identify the Key Management Personnel (KMPs) within the meaning of the SECC Regulations;
4. To determine the employment terms and compensation of the KMPs as directed by SEBI;
5. Report such activities to the Board on periodic basis."
6. To finalize and administer the scheme in consultation with a Merchant Banker appointed by them for the purpose.
7. To settle all questions of interpretation of said Scheme (the Committee's decision shall be final and binding on all parties concerned).
8. To determine the detailed terms and conditions for grant of Options to each eligible employee or class of employees, including but not limited to:

i. The eligibility criteria and the specific employees to whom the options would be granted;
ii. The quantum of employee stock options to be granted under the Scheme per employee or class of employees and the basis of such allotment and the aggregate thereof, subject to the maximum ceiling as specified hereinabove.

9. To devise a procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, splitting/sub-division of shares, bonus issues, merger, sale of division and others.
10. To devise the procedure for cashless exercise of options, in accordance with applicable laws.
11. To determine the terms and conditions of re-issue of options which have lapsed on account of non-exercise of the options vested within the specified period, or on account of non-acceptance of the options which have been granted to the employee, or on account of any other reason, in accordance with applicable laws.
12. To formulate criteria for determining qualifications, positive attributes and independence of director.
13. To recommend to the Board policy relating to remuneration for directors, KMPs and other employees
14. To identify person who are qualified to be become director, recommend their appointment, removal to the Board
15. To evaluate every directors performance
16. To perform any other function as may be delegated by the Board.

C. Nomination and Remuneration Policy

The Company has formulated the nomination and remuneration policy as per SECC Regulations and the Companies Act, 2013 for remunerating the Executive Directors, Non –Executive Directors, Senior Management Personnel, Key Managerial Personnel and the Employees. The policy is annexed to the Directors' report.

D. Performance Evaluation Criteria for independent directors

With the objective of enhancing the effectiveness of the Board, the Nomination & Remuneration Committee formulated the methodology and criteria to evaluate the performance of the Board and each director. The Nomination & Remuneration cum Compensation Committee at its meetings discussed and reviewed the criteria for evaluating the performance of all the directors. Criteria in this respect includes; (a) Board composition, size, mix of skill, experience, members' participation and role, (b) attendance, preparedness and deliberation in the meetings, (c) contribution / suggestions for effective functioning, development of strategy, board process, policies and others. The evaluation process includes review, discussion and feedback from directors in reference to set criteria and questions. The Directors are satisfied with the performance and evaluation.

5. Remuneration of Directors

a) Non-Executive Independent Directors:

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees. The Company has not granted any stock options to any of its Non-Executive Directors and none of the directors hold any shares in the Company. Sitting fees paid to Non-Executive Directors/Public Interest Directors during the year are as follows:

Name of the Director	Sitting Fees (Rs.)
Prof. (Mrs.) Ashima Goyal*	2,43,000
Mr. D.G. Patwardhan**	7,83,000
Mr. Dinesh Kumar Mehrotra	6,39,000
Mr. Ketan Vikamsey#	5,40,000
Mr. Ajai Kumar***	6,93,000
Mr. Sudhir Bassi##	3,28,500

*

Prof. (Mrs.) Ashima Goyal demitted office with effect from September30, 2017;
*** Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018;*
****Mr. Ajai Kumar was appointed as PID with effect from April 5, 2017 & resigned as PID with effect from August 6, 2018;*
 # Mr. Ketan Vikamsey was appointed as PID with effect from April 5, 2017;
Mr. Sudhir Bassi was appointed as Shareholder Director with effect from November 2, 2017.

b) The details of remuneration paid to Executive Director for the financial year ended March 31, 2018 are provided hereinafter:

Particulars	Mr. Udai Kumar MD & CEO (appointed wef January 22, 2016)
Salary and allowances	84,12,213
Period of Service Contracts	For a period of three years Commencing on and from January 22, 2016
Notice Period	Three Months

6. Stakeholders Relationship Committee:

A. Composition and Terms of Reference

The Committee met two (2) times during the year. The Chairman of the Committee is Mr. Dinesh Kumar Mehrotra. The meetings were held on September 22, 2017 and February 06, 2018. The details of Composition and participation of the members at the meetings of the committee as on March 31, 2018 were as under:

Members	Category	Meetings held during the tenure	Meetings attended during the tenure
Prof. (Mrs.) Ashima Goyal*	Public Interest Director	1	1
Mr. Sudhir Bassi**	Shareholder Director	1	1
Mr. Ketan Vikamsey	Public Interest Director	2	1
Mr. Dinesh Kumar Mehrotra	Public Interest Director	2	2
Mr. Udai Kumar	MD & CEO	2	2

** Prof. (Mrs.) Ashima Goyal demitted office with effect from September 30, 2017*
***Mr. Sudhir Bassi was appointed as Shareholder Director with effect from November 2, 2017*

A. Terms of Reference:

The Terms of Reference of the Stakeholders Relationship Committee pursuant to Regulation 35 of SECC Regulation read with Regulation 20 of the Listing (Obligation and Disclosure Requirements) Regulation, 2015 is given below:

1. Handling and redressal of various Security holders' complaints including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
2. Noting status of dematerialization, rematerialization, share transfer, transposition of names, transmission requests, etc.;
3. Issue of duplicate share certificates in case of damage or loss of share certificate;
4. Any other specific stakeholder matters

B. Name and Designation of Compliance Officer

Mr. Anish Kumar Compliance Officer - Investor Grievance & Arbitration and Compliance (upto August 6, 2018)
Mr. P. K. Ramesh Compliance Officer - Investor Grievance & Arbitration and Compliance (w.e.f. August 6, 2018)

C. Name and Designation of Company Secretary

Mr. Radhindra Das - Company Secretary (upto January 5, 2018)

D. Details of Shareholders complaints received and redressed during the year.

The Exchange received complaints from its shareholders and resolved those complaints during the year.

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	**2**	**2**	**0**

7. General Body Meetings:

A. Details of Annual General Meetings held in last three years are as under:

Date & Time	Venue of the meeting	Special resolution(s) passed
September 14, 2017 at 11:30 a.m. for FY 2016-17	Banquet Hall, Ground Floor, MCA Recreation Centre,RG-2, G-Block, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051	i. To authorise the Board for increase in investment limit
August 20, 2016 at 11.00 am for FY 2015-16	Vibgyor Towers, 4th Floor, Plot no. C-62, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400098	i. Appointment and remuneration of Mr. Udai Kumar, Managing Director & Chief Executive Officer
September 30, 2015 at 4.30 pm for FY 2014-2015	Vibgyor Towers, 4th Floor, Plot no. C-62, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400098	i. Payment of remuneration to Mr. Saurabh Sarkar, MD & CEO for a period of one year. ii. Ratification and approval of transactions with Metropolitan Clearing Corporation Ltd under clause 49 of the Listing Agreement.

B. Postal Ballot

The Company has not passed any resolution by way of postal ballot during the financial year ended March 31, 2018 and no resolution is proposed to be conducted through postal ballot.

8. Means of Communication:

The Exchange disseminates all material information to its Shareholders through its website: www.msei.in The Exchange's website: www.msei.in contains links to all important events and material information of the Exchange. The financials results, shareholding pattern, press releases, Annual Reports etc. appear on the Company's website.

9. General Shareholder Information:

Day, Date, Time and Venue of Annual General Meeting (2017-2018)	Wednesday, September 26, 2018 at 11.30 a.m. Venue:- Banquet Hall, Ground floor, MCA Recreation Centre, RG-2, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051, Landline No -(022) 2644 6688
Financial year	April 01, 2017 to March 31, 2018
Dividend payment date	Not Applicable
Listing on Stock Exchanges	The Company is not listed on any stock exchange.
Stock Market Code, Market Price Data and share price performance to broad based indices	Not applicable as the Company is not listed on any stock exchange
Registrars & Share Transfer Agents	Karvy Computershare Private Limited Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad 500 032, India. Tel: +91-040-6716 2222
Share transfer System	100% of Equity Shares of the company are in electronic form. Transfer of shares is done through depositories with no involvement of the company.
Dematerialization of Shares and liquidity	As required under SEBI Regulations, the entire 4,782,368,933 equity shares of the Company as on March 31, 2018 are under dematerialized (electronic) form. The equity shares of the Company have been admitted for dematerialisation with both the depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). ISIN of the equity shares of the Company is INE312K01010.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	As at March 31, 2018, the Company had 74,070 outstanding Warrants.
Exchange operations are located at	4th Floor, Vibgyor Towers, C-62, G Block Bandra Kurla Complex, Bandra (East), Mumbai- 400098
Address for Correspondence	4th Floor, Vibgyor Towers, C-62, G Block Bandra Kurla Complex, Bandra, (East), Mumbai- 400098. Tel: 61129000 Email id: secretarial@msei.in Website: www.msei.in

10. Distribution of Shareholding as on March 31, 2018:

Sr. no	Category	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	up to 1 - 5000	9,530	27.16	3,04,89,547	0.64
2	5001 - 10000	6,769	19.29	6,18,80,533	1.29
3	10001 - 20000	4,707	13.41	7,77,85,007	1.63
4	20001 - 30000	3,218	9.17	8,41,88,963	1.76
5	30001 - 40000	1,324	3.77	4,90,13,463	1.02
6	40001 - 50000	2,245	6.40	11,01,67,390	2.30
7	50001 - 100000	3,708	10.57	31,89,13,856	6.67
8	100001 & ABOVE	3,589	10.23	4,04,99,30,174	84.68
	Total	**35,090**	**100.00**	**4,78,23,68,933**	**100.00**

Shareholding Pattern as on March 31, 2018:

Sr. No	Category	No. of Shareholders	No. of shares held	% of shareholding
(A)	**PROMOTER AND PROMOTER GROUP**	NIL	NIL	NIL
(B)	**PUBLIC SHAREHOLDING**			
(a)	Financial Institutions /Banks	19	71,87,82,564	15.03
(b)	Bodies Corporate	188	89,41,59,803	18.71
(c)	Individuals	33,628	2,50,85,34,073	52.33
(d)	HUF	1,161	21,02,75,852	4.40
(e)	Trusts	1	56,72,734	0.23
(f)	Non-Resident Indian	93	44,49,43,907	9.30
	Total B	**35,090**	**4,78,23,68,933**	**100.00**
	Total (A+B)	**35,090**	**4,78,23,68,933**	**100.00**

11. Other Disclosures:

a. CEO Certification

The Certificate from CEO as required under Part D of Schedule V of the Listing Regulations containing declaration as to affirming compliance with the Code of Conduct, under SECC Regulations for the FY 2017-18, is annexed at the end of this report.

b. Compliance with the conditions of Corporate Governance

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent as applicable, with regards to Corporate Governance.

c. Disclosures on materially significant related party transactions

The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. All the transactions with related parties are under the pre- existing arrangements. Nonetheless, transactions with related parties as required to be reported under "Accounting Standard 18 - Related Party Disclosure" has been disclosed in the Financial Statements in the Annual Report. The policy is hosted on the website of the Company and can be accessed at https://www.msei.in/about-us/policy

d. Penalties or strictures imposed on the Company by SEBI or any statutory authority, on any matter related to the capital markets during the last three years:-

In 2016-17, SEBI had, in view of non-fulfilment of the condition of renewal of recognition by Metropolitan Clearing Corporation of India Limited (MCCIL), advised the Exchange to have firm alternative arrangements for clearing and settlement for trades executed on the Exchange. During the year the Exchange invested in the equity shares of MCCIL thereby enhancing its net worth to Rs. 300 Crores.

SEBI had renewed the recognition of the Exchange for a further period of one year commencing from September 16, 2017 to September 15, 2018 subject to condition that the Exchange shall build its Networth (undisputed) to the level as prescribed in SECC regulation 2012 within the period of three month from the date of renewal of recognition.

In 2017-18, there were no Penalties or strictures imposed on the Exchange by SEBI or any statutory authority, on any matter related to the capital markets.

e. Disclosure relating to Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee

The Company has adopted a Code for all the Board Members, Key Management Personnel and Employees which includes a Whistle Blower Policy. This policy enables an employee to report any actual or possible violation of the code of conduct. Further, the mechanism adopted by the Whistle Blower policy is to report genuine concern or grievances and provide for adequate safeguard against victimization of whistle blower who avail of such mechanism and also to provide for direct access to the chairman of the audit committee in exceptional cases.

The Whistle blower policy is also hosted on the website of the Company and can be accessed at http://www.msei.in/about-us/code. None of the whistle blower was denied access to the Audit Committee during FY 2017-18 to the knowledge of the Compliance Officer. The same is reviewed by the Audit Committee on a quarterly basis.

However, in the previous year, certain complaints were received from two ex-employees of the Exchange. These complaints were taken up at appropriate level at the Exchange. In the meanwhile, the SEBI has directed ("SEBI Directive") that a committee of Public Interest Directors be formed to look into the said complaints and other matters as directed by SEBI. The Committee of Public interest Directors have appointed an Independent and reputed investigation firm to investigate the matters as per the SEBI Directive. The investigation is underway, and the report is awaited. The Board has taken adequate steps to ensure seamless functions of the Exchange.

f. Details of Compliance with mandatory and non-mandatory requirement

As per regulation 35 of SECC Regulations, 2012, the disclosure requirements and corporate governance norms as applicable to a listed entity are mutatis mutandis applicable to a recognized stock exchange. The Company has complied with the applicable mandatory requirements of Listing Regulation unless stated otherwise.

The Company has complied with the following Non-Mandatory requirements:

a) The Company has appointed separate persons to the post of Chairman and Managing Director & CEO.

b) The Internal Auditor reports directly to the Audit Committee.

g. Policy for determining material subsidiaries:

As on March 31, 2018 the Company holds 95.85% of the paid-up capital of Metropolitan Clearing Corporation of India Limited (MCCIL) and 100% of MCX-SX KYC Registration Agency Limited (MCX-SX KRA). The minutes of the Board meetings of the subsidiaries are placed before the Board meeting of the Company. The Company has formulated a policy for determining 'material' subsidiaries and such policy is hosted on the website of the company and can be accessed at https://www.msei.in/about-us/policy

For and on behalf of the Board of Directors

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Date: August 13, 2018
Place: Mumbai

RECEIPT OF AFFIRMATIONS ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby declare that all the Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2017-18 as adopted by the Board of Directors.

Sd/-
Udai Kumar
Managing Director & CEO
DIN: 06750460

Dated: May 10, 2018
Place: Mumbai

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

Compliance Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) (issued in accordance with the provisions of Regulation 35 of SECC Regulations 2012 read with Regulation 17(8) of the Listing Regulations)

To
The Board of Directors of
Metropolitan Stock Exchange of India Limited
Dear Sirs,

A. We have reviewed the financial statements and the cash flow statement of Metropolitan Stock Exchange of India Ltd for the financial year ended March 31, 2018 and to the best of our knowledge and belief, we hereby certify that:

(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(2) These statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations, except as disclosed in the notes to the financial statements.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2018 which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies. In our opinion there are adequate internal controls over financial reporting.

D. We have indicated to the Auditors and the Audit Committee that:

(1) significant changes in internal control over financial reporting during the year;

(2) There are no significant changes in accounting policies made during the year except as disclosed in the notes to the financial statements.

(3) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Sincerely,

Sd/-	Sd/-
Udai Kumar	**Kunal Sanghavi**
Managing Director & CEO	Chief Financial Officer
DIN: 06750460	PAN:BBQPS1323A

Dated: May 10, 2018
Place: Mumbai

PRACTICING COMPANY SECRETARY'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of
Metropolitan Stock Exchange of India Limited

This is with reference to the disclosure and corporate governance norms specified in Regulation 35 of the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 applicable to Stock Exchanges which stipulates that the disclosure requirements and corporate governance norms as specified for listed companies shall mutatis mutandis apply to a recognized stock exchange.

Accordingly, we have examined the compliance of conditions of Corporate Governance by Metropolitan Stock Exchange of India Limited (hereinafter known as "the Company"), for the year ended March 31, 2018 as stipulated in Regulations 17, 18, 19, 20, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015).

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 to the extent relevant and practicable in accordance with the nature of the Company's operations, its constitution and to ensure appropriate governance.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DSM & Associates,
Company Secretaries

Sd/-

CS Sanam Umbargikar
Partner
M. No.: 26141
COP No.9394

Date: May 10, 2018
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT - STANDALONE

To
The members of Metropolitan Stock Exchange of India Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Metropolitan Stock Exchange of India Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the Indian Accounting Standards (Ind As) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our Audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order Issued under section 143 (11) of the Act.

We have conducted our audit of standalone financial statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis of Qualified Opinion

(a) The company continues to prepare its Standalone Financial Statements on going concern basis, even though it has continued to incur significant losses during the current period, business volumes is also reduced and there is no clarity on increase in volume/revenue. The company has however raised the required funds to meet its regulatory net worth requirements and is working on a 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 detailed impairment testing to ascertain carrying value of fixed assets, etc. The management has also considered the GST Credit available amounting to Rs. 40.81 Crores and MAT Credit Entitlement amounting to Rs.1.86 Crores as recoverable, basis the same. We are unable to comment on the same and the adjustments, if any, that will be arising out of the same.

(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.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the para 'Basis of Qualified Opinion', the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its Loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained, except for the matters described in the Basis for Qualified Opinion paragraph, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
   (f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
   (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.
   (h) The qualification relating to the maintenance of accounts and other matters connected herewith are as stated in the Basis for Qualified Opinion paragraph above.
   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statement.

ii. The Company has entered into various contracts including long term contracts with a Company towards software license and maintenance agreements etc. which have penalty clauses for termination. The continuance of these contracts and impact of termination of these contracts shall depend on the future running of the business including raising required resources for the same. The Company has however raised required funds during the current year and has started working on its detailed plan for turn-around and as such confident to honor its long-term contract and does not foresee any losses on account of termination. Apart from the same, the Company did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For T R Chadha & Co LLP
Chartered Accountants
Firm Regn. No: 006711N/N500028

Pramod Tilwani
Partner
Membership No. 076650

Place: Mumbai
Date: 10th May 2018

ANNEXURE A TO THE AUDITOR'S REPORT

The annexure referred to in Independent Auditors' Report to the member of the Company on the standalone financial statement for the year ended 31st March 2018, we report that;

(i) Fixed Assets

a) The Company is maintaining proper records showing full particulars including quantitative details and situtation of its fixed assets.

b) As per the explanation and information given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the informations and explanations given to us, there is no Immovable Property in the books of accounts of the Company. Thus, the provision of clause 3(i)(c) of the Order is not applicable to the Company

(ii) Inventories

The nature of business of the company does not require to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said order is not applicable to the company.

(iii) Loans given

During the year, the Company has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Hence reporting under clause 3 (iii) (a), (b) and (c) of the order is not applicable to the Company.

(iv) Compliance of Sec. 185 & 186

In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Sections 185 and 186 of the Act, with respect to the loans and investments made.

(v) Public Deposit

During the year, the company has not accepted any deposits from the public, therefore, paragraph 3 (v) of the order is not applicable.

(vi) Cost Records

To the best of our knowledge and according to the information and explanation provided to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act

(vii) Statutory Dues

a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has generally been regular in depositing its undisputed statutory dues including Provident Fund, Employees State insurance, income-tax, Sales-Tax, GST, Wealth Tax, Service tax, Goods and Services tax, value added tax, cess and Entertainment Tax etc. There are no undisputed dues payable, outstanding as on 31st March, 2018 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, the following dues of Income Tax has not been deposited by the Company on account of dispute;

Name of the Statute	Nature of Dues	Amount (in Rs.)	Period to which the amount relates	Forum where the dsipute is pending
Income Tax Act, 1961	Demand under section 156	9,21,38,040 (excl. interest)	AY 2012 - 13	CIT Appeal

(viii) According to the information and explanations given to us and based on the records of the company examined by us, the company has not availed any borrowing during the year. Accordingly para 3(viii) is not applicable to the Company.

(ix) The Company didn't raise any money by way of initial public offer or further public offer or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanation given to us, no material fraud on the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) According to information & explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) As per the information and explanations given by the management, all the transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) As per the information and explanations given by the management, the company has not entered into any non-cash transaction with directors or persons connected with him. Therefore paragraph 3 (xv) of the order is not applicable to the company.

(xvi) As per the information and explanations given by the management, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore paragraph 3 (xvi) of the order is not applicable to the company.

For T R Chadha & Co LLP
Chartered Accountants
Firm Regn. No: 006711N/N500028

Pramod Tilwani
Partner
Membership No. 076650

Place: Mumbai
Date: 10th May 2018

ANNEXURE B

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Metropolitan Stock Exchange of India Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For T R Chadha & Co LLP
Chartered Accountants
Firm Regn. No: 006711N/N500028

Pramod Tilwani
Partner
Membership No. 076650

Place: Mumbai
Date: 10th May 2018

BALANCE SHEET AS AT — MARCH 31, 2018

(Amount in Rs.)

		Particulars	Note	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
I		**ASSETS**							
	1	**Non-Current Assets**							
	(a)	Property, plant and equipment	3	8,69,03,373		11,45,69,956		17,09,29,759	
	(b)	Intangible assets	4	47,85,86,651		52,05,38,600		52,26,58,418	
	(c)	Intangible assets under development	4	1,78,75,973		1,88,85,749		50,00,000	
	(d)	Financial assets							
		i. Investments							
		a. Investment in subsidiaries	5	2,83,14,84,887		81,58,41,832		57,78,50,000	
		ii. Other financial assets	6	36,78,23,514		16,48,98,281		4,39,73,645	
	(e)	Income tax assets (net)	7	12,70,51,266		16,61,27,414		13,31,59,177	
	(f)	Other non-current assets	8	38,09,87,593		36,25,18,282		36,54,02,665	
	(g)	Deferred tax assets (Net)		-	**4,29,07,13,257**	-	**2,16,33,80,115**	-	**1,81,89,73,664**
	2	**Current Assets**							
	(a)	Financial assets							
		i. Investments	9	17,97,81,443		2,63,18,801		4,70,73,651	
		ii. Trade receivables	10	1,20,93,599		80,22,704		1,89,41,566	
		iii. Cash and cash equivalents	11	70,48,484		3,99,11,588		1,00,38,520	
		iv. Bank balance other than (iii) above	12	5,00,000		41,24,00,000		69,23,85,702	
		v. Other financial assets	13	45,15,975		1,02,79,288		3,29,74,543	
	(b)	Current tax assets (Net)	14	4,10,06,075		2,74,87,723		12,04,58,193	
	(c)	Other current assets	15	8,55,41,843	33,04,87,419	1,65,50,032	54,09,70,137	21,63,31,558	1,13,82,03,733
		Total			**4,62,12,00,676**		**2,70,43,50,252**		**2,95,71,77,397**
II		**EQUITY AND LIABILITIES**							
	3	**Equity**							
	(a)	Equity Share capital	16	4,77,73,90,613		2,45,95,56,243		1,94,16,76,830	
	(b)	Other equity	16	(78,41,55,102)		(63,83,35,495)		11,68,67,752	
		Total Equity			**3,99,32,35,511**		**1,82,12,20,748**		**2,05,85,44,582**
		Liability							
	4	**Non-Current Liabilities**							
	(a)	Financial liabilities							
		i. Other financial liabilites	17	35,36,02,787		50,77,40,040		46,31,40,624	
	(b)	Provisions	18	13,95,115		32,32,671		47,42,983	
		Total Non-Current Liabilities			**35,49,97,902**		**51,09,72,711**		**46,78,83,607**
	5	**Current Liabilities**							
	(a)	Financial liabilities							
		i. Borrowing	19	-		-		5,02,07,650.00	
		ii. Trade payables							
		a. Total outstanding dues of micro, small and medium enterprises							
		b. Total outstanding dues to creditors other than micro, small and medium enterprises	20	8,09,52,831		5,46,17,662		9,41,37,408	
		iii. Other financial liabilities	21	15,59,25,853		23,84,80,791		24,64,80,787	
	(b)	Other current liabilities	22	3,45,51,340		7,63,27,904		3,88,60,568	
	(c)	Provisions	23	15,37,240	27,29,67,263	27,30,436	37,21,56,793	10,62,795	43,07,49,208
		Total			**4,62,12,00,676**		**2,70,43,50,252**		**2,95,71,77,397**

Significant Accounting Policies and Explanatory Information forming part of the financial statements — 2-52

As per our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

Pramod Tilwani
Partner
Membership No.76650

Mumbai
Dated : May 10, 2018

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Dinesh Kumar Mehrotra
Chairman
DIN : 00142711

Udai Kumar
Managing Director & Chief Executive Officer
DIN : 06750460

Kunal Sanghavi
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Rs.)

Particulars			Note	For the Year 2017-18	For the Year 2016-17
I	**Income**				
	(a)	Revenue from operations	24	8,48,51,346	17,04,69,700
	(b)	Other income	25	5,10,60,201	11,00,01,921
	Total Income			**13,59,11,547**	**28,04,71,621**
II	**Expenditure**				
	(a)	Operating expenses	26	13,34,39,316	15,17,66,549
	(b)	Employee benefits expense	27	17,30,69,703	14,70,26,484
	(c)	Finance costs	28	-	29,66,616
	(d)	Advertisement and business promotion expenses	29	8,03,74,928	4,05,29,766
	(e)	Depreciation and amortisation expense	3 & 4	14,55,51,723	13,92,67,764
	(f)	Other expenses	30	15,98,31,026	14,11,61,471
	Total Expenses			**69,22,66,696**	**62,27,18,650**
III	**Profit / (Loss) before tax**			**(55,63,55,149)**	**(34,22,47,029)**
IV	**Exceptional items**			—	—
IV	**Profit / (Loss) before tax**			**(55,63,55,149)**	**(34,22,47,029)**
IV	**Less : Current tax**				
	Less : Deferred tax			—	—
V	**Profit / (Loss) for the year**			**(55,63,55,149)**	**(34,22,47,029)**
VI	**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)		16,94,748	(4,69,840)
	Total other Comprehensive Income for the year, net of tax			**16,94,748**	**(4,69,840)**
	Total Comprehensive Income for the year			**(55,46,60,401)**	**(34,27,16,869)**
VII	**Earnings per equity share of face value of Re.1 each**		37		
	Basic (in Re.)			(0.15)	(0.16)
	Diluted (in Re.)			(0.15)	(0.16)

Significant Accounting Policies and Explanatory Information forming part of the financial statements 2-52

As per our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Pramod Tilwani
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Membership No.76650

Dinesh Kumar Mehrotra
Chairman
DIN : 00142711

Udai Kumar
Managing Director & Chief Executive Officer
DIN : 06750460
Mumbai

Dated : May 10, 2018

Kunal Sanghavi
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH '18

(Amount in Rs.)

A. Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares at the beginning of the year	2,46,45,33,914	2,46,45,33,914	1,94,66,69,121	1,94,66,69,121	1,16,34,13,045	1,16,34,13,045
Add:-Shares issued during the year	2,31,78,34,370	2,31,78,34,370	51,78,64,793	51,78,64,793	78,32,56,076	78,32,56,076
Equity shares at the end of the year	**4,78,23,68,284**	**4,78,23,68,284**	**2,46,45,33,914**	**2,46,45,33,914**	**1,94,66,69,121**	**1,94,66,69,121**

B. Other Equity

Particulars	Reserves & surplus				Other comprehensive income	Total
	Securities premium account	Retained earnings	Non Refundable Interest Free Deposits Against Warrants	Warrant application money pending allotment	Remeasurement of employees benefit	
As at 1 April 2016	**3,51,56,66,074**	**(3,81,47,30,994)**	**41,59,32,672**	**-**	**-**	**11,68,67,752**
Application money received	-	-	-	34,31,295	-	34,31,295
Allotment during the year	-	-	(26,51,77,600)	-	-	(26,51,77,600)
Refunded	-	-	(15,07,40,072)	-	-	(15,07,40,072)
Addition	-	-	-	-	(4,69,840)	(4,69,840)
Profit for the year	-	(34,22,47,029)	-	-	-	(34,22,47,029)
As at 31 March 2017 / 1 April 2017	**3,51,56,66,074**	**(4,15,69,78,023)**	**14,999**	**34,31,295**	**(4,69,840)**	**(63,83,35,495)**
Add : Addition on share issued	47,71,15,243	-	-	-	-	47,71,15,243
Less : Share Issue Expesnes*	(6,48,72,690)	-	-	-	-	(6,48,72,690)
Application money received	-	-	-	-	-	-
Allotment during the year	-	-	-	(34,01,760)	-	(34,01,760)
Addition	-	-	-	-	16,94,749	16,94,749
Profit for the year	-	(55,63,55,149)	-	-	-	(55,63,55,149)
As at 31 March 2018	**3,92,79,08,627**	**(4,71,33,33,172)**	**14,999**	**29,535**	**12,24,909**	**(78,41,55,102)**

As per our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Pramod Tilwani
Partner
Membership No.76650

Dinesh Kumar Mehrotra
Chairman
DIN : 00142711

Udai Kumar
Managing Director & Chief Executive Officer
DIN : 06750460

Mumbai
Dated : May 10, 2018

Kunal Sanghavi
Chief Financial Officer

STATEMENT OF CASH FLOWS THE YEAR ENDED MARCH 31, 2018

(Amount in Rs.)

Particulars	For the year 2017-18		For the year 2016-17	
A. Cash flow from Operating Activities				
Net Profit / (Loss) before tax as per Statement of Profit and Loss		(55,46,60,401)		(34,11,06,580)
Adjustments for				
Depreciation/Amortisation	14,55,51,723		13,92,67,765	
Net fair value gain/loss on financial assets measured at fair value through profit and loss	(44,58,106)		—	
Net Prior Year Adjustments	—		15,64,323	
Interest Income	(3,07,31,913)		(4,89,86,136)	
Finance Costs	—		29,66,616	
Loss on sale of Fixed Asset (net)	—		4,89,143	
Provision for doubtful debts	16,17,628		4,40,298	
Profit on sale of investments (net)	(1,40,08,966)		(39,30,544)	
Depletion in value of investments	20,695	9,79,91,061	54,328	9,18,65,793
Operating profit/ (loss) before working capital changes		**(45,66,69,340)**		**(24,92,40,787)**
Adjustments for				
Trade and other receivables	(9,46,92,836)		7,98,80,357	
Trade and other payables	(25,51,64,339)	(34,98,57,175)	3,26,59,780	11,25,40,137
Cash generated from/(used in) operations		(80,65,26,515)		(13,67,00,648)
Net Prior Year Adjustments		—		(15,64,323)
Less:(Taxes paid) / refund received		2,55,57,797		6,82,93,562
Net cash generated from/(used in) operating activities		**(78,09,68,718)**		**(6,99,71,409)**
B. Cash flow from Investing Activities				
Purchase of Fixed Assets (including Capital Work In Progress)		(7,49,28,931)		(9,63,29,097)
Sale of Fixed Assets (net)		5,518		11,66,061
Purchase of current investments		(1,33,75,52,530)		(30,54,00,000)
Sale of current investments		1,18,85,47,995		32,57,35,162
Income from Current Investments		1,40,08,966		39,30,544
Fixed deposit placed with banks		(2,50,37,47,377)		(48,87,52,184)
Fixed deposit matured		2,71,42,15,934		62,30,85,702
Investment in subsidiary company		(2,01,56,63,750)		(23,80,46,160)
Interest received (net of accrued interest)		3,65,44,628		7,14,95,609
Net cash generated from/(used in) Investing Activities		**(1,97,85,69,547)**		**(10,31,14,363)**
C. Cash flow from Financing Activities				
Finance Costs		—		(29,66,616)
Share application money received/(refunded)		(34,01,760)		34,31,295
Short term borrowings		—		(5,02,07,650)
Proceeds from issuance of shares		2,31,78,34,370		25,26,87,193
Issue of Shares to Employees by ESOP trust from Loan shares		—		14,620
Receipt/(Distribution) from/to Minority Shareholders				
Security premium collected		41,22,42,553		—
Net Cash Generated from Financing Activities		**2,72,66,75,163**		**20,29,58,842**
Net Increase in Cash and Cash Equivalents		**(3,28,63,103)**		**2,98,73,070.00**
Cash and Cash Equivalents at Beginning of the Year (Refer note 11)		3,99,11,588		1,00,38,520
Cash and Cash Equivalents at End of the Year (Refer note 11)		70,48,484		3,99,11,588
Add : Fixed Deposits held for more than three months		5,00,000		41,24,00,000
Closing Cash and Bank Balance as per Note 11 & 12)		**75,48,484**		**45,23,11,588**

Significant Accounting Policies and Explanatory Information forming part of the financial statements
Notes to Cash Flow Statement:

1. The Cash Flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7 (Ind AS 7)" Statement of Cash Flows" prescribed under Companies Act, 2013.
2. Figures in brackets represent cash outflows.

As per our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

Pramod Tilwani
Partner
Membership No.76650

Mumbai
Dated : May 10, 2018

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Dinesh Kumar Mehrotra
Chairman
DIN : 00142711

Udai Kumar
Managing Director & Chief Executive Officer
DIN : 06750460

Kunal Sanghavi
Chief Financial Officer

Significant Accounting Policies forming part of the financial statement for the year ended 31st March, 2018

1 Corporate Information

The Company was incorporated on August 14, 2008 and recognized as a stock exchange by Securities and Exchange Board of India (SEBI) under section 4 of the Securities Contracts (Regulation) Act, 1956 with effect from September 16, 2008. The Exchange was notified a "Recognised Stock Exchange" under Section 2(39) of the Companies Act, 1956 by Ministry of Corporate Affairs, Govt. of India, on December 21, 2012. The Company provide platform for trading in Currency Derivatives, Debt Segment, Interest Rate Futures, Equity Cash and F&O segment.

SEBI letter No. MRD/DSA/OW/P/22223/1/2017 dated September 14, 2017 renewed the recognition granted to the Stock Exchange for a period of one year commencing on the 16th day of September 2017 and ending on 15th day of September 2018.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ("financial statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical-cost convention on accrual basis, except as disclosed in the accouting policies below, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), provision of the Companies Act, 2013 and Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The accounting policies adopted in the preparation of the financial statements are consistent.

The financial statements up to year ended 31 March 2017 were prepared in accordance with Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value, and
- defined benefit plans - plan assets measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Previous year numbers in the financial statements have been restated to Ind AS. These financial statements are the first financial statements of the company which have been prepared in accordance with Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS in respect of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of the comprehensive income for the year ended March 31, 2017 and of the cash flows for the year ended March 31, 2017

2.4 Foreign currency translation and transactions

i) Functional and presentation currency

"Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency."

ii) Transactions and Balances

"Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction.Monetary items denominated in foreign currencies at the year-end are restated at year end rates. Non-monetary foreign currency items are carried at cost.Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit & Loss of the year."

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The company recognises revenue, when the amount of revenue can be reliably measured, when it is probable that future economic benefit will flow to the company and when the no significant uncertainty as to it collectability exists, as described below:

Transaction fees are charged to members at the applicable rates based on the volume of transactions entered into by the members through the exchange. These are accrued when orders placed by members on the exchange are matched and confirmed.

Admission fees collected from new members for joining the exchange are recognized when received and membership approved by SEBI.

Processing and other fees collected from members are recognized for which services are performed.

Connectivity Income are apportioned over the period of connectivity on a pro rata basis from the date of activation of connectivity.

Dividend income is recognized when the company's right to receive dividend is established.

Interest income is recognized on time proportion basis into account the amount outstanding and the rates applicable. For all other financial assets measured at amortised cost interest income is recorded using the Effective Interest Rate (EIR).

Income from Annual Listing Fees is recognized on time proportion basis.

Revenue from Shared Service recognised based on the time proportion basis.

Revenue from data feed charges based on the time proportion basis.

2.6 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. Income tax expense is recognised in the Profit or Loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences.Deferred tax assets and liabilities are measured at the tax rates that are to be apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised only to the extent that there is a probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and the carry forward of unused tax losses can be utilized.The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.In accordance with the recommendations contained in Guidance Notes issued by the institute of chartered accountants of India and in accordance with the provision of Income Tax Act, 1961, Minimum Alternate Tax ('MAT') credit is recognised as an asset to the extent there is convincing evidence that the company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

2.7 Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.8 Property, plant and equipment

Property, plant and equipment are measured at cost of acquisition net of recoverable taxes less accumulated depreciation and impairment loss, if any. Cost includes expenses that is directly attributable to acquisition of the assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for their intended use before such date are shown as Capital Work in Progress.

Depreciation on property, plant and equipment is provided on straight line method over the useful lives as specified in Part 'C" of Schedule II to the Companies Act, 2013, which is also estimated as useful lives by the management. The same is as given below:-

Sr. No	Classification of an asset	Useful life
1	Furniture and fixtures	10
2	Office Equipment's	5
3	Vehicles	8
4	Computer Hardware	
	(i) Computer Servers	6
	(ii) Networking Equipment's	6
	(iii) Desktop/Laptop etc.	3

Leasehold improvements are depreciated over the period of lease or at their estimated useful life, whichever is lower.

The Company provides pro-rata depreciation from the day the asset is ready to use and for any asset sold, till the date of sale.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. With the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets and Amortization

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any.

Intangible assets comprising of software purchased and licensing cost are amortized on straight line basis over the useful life of the software up to a maximum period of 10 years.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation methods, useful lives and residual values are reviewed at each reporting date. With the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets under development

Intangible Assets under development comprises outstanding advances paid to acquire intangible assets and the cost of intangible assets that are not yet ready for its intended use.

2.9 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the lower of the present value of expected net cost of fulfilling the contract and the present value of expected cost of terminating the contract.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably, is not recognised in the books of accounts but its existence is disclosed in the Financial Statements. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized but disclosed in the financial statements when economic inflow is probable.

2.11 Fair Value Measurement

The company measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the company

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.12 Financial instrument

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets:

Initial recognition and measurement:

The company measures its financial assets at fair value. In this context, quoted investments are fair valued adopting the techniques defined in Level 1 of fair value hierarchy of Ind-AS 113 “Fair Value Measurement” and unquoted investments, where the observable input is not readily available, are fair valued adopting the techniques defined in Level 3 of fair value hierarchy of Ind-AS 113 and securing the valuation report from the certified valuer. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company’s business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

(a) The Company’s business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

(a) The Company’s business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to Investments in Equity and Convertible Warrants. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI.

However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss.

However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Equity Investments (in subsidiaries, associates and joint venture)

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

De-recognition

Financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;
  - (a) The company has transferred substantially all the risks and rewards of the asset, or
  - (b) The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

  On De-recognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measure at fair value through profit and loss (FVTPL)

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(b) Financial Liabilities:

Initial recognition and measurement

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are initially measured at Fair value.

Subsequent measurement

All non-current financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss..

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.13 Employee benefits

Short Term Obligation

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period at the undiscounted in the Statement of Profit & Loss and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other Long-Term employees benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss. The liability for earned leave is also classified as current where it is expected to be availed/ encashed during the next 12 months. The remaining portion is classified as non-current. The amounts of current and non-current liability are based on actuarial estimates.

Post-employment obligations

Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

The Company operates following post-employment schemes:

(a) defined benefit plans such as gratuity

(b) defined contribution plans such as provident fund

Defined Benefit Plans - Gratuity Obligation

The Company has maintained a Gratuity Scheme with the MCX Gratuity Trust. Trustees administer contributions made to the Trusts and contribution are invested in insurance company in the form of qualifying insurance policy. Company is contributing a sum determined by insurance company annually. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined Contribution Plans - Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share based compensation

Company has an Employee Stock Option Scheme ('the Scheme') which provides the grant of options to acquire equity shares of the Company to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

The Company recognizes compensation relating to share-based payments in net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

2.14 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

2.15 Cash & Cash Equivalents

Cash and cash equivalent in the balance sheet comprises cash on hand and at bank and demand deposits with banks with an original maturity of three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

2.16 Key Accounting Estimates and Judgement

As per Ind AS the accounting policy should also disclose the significant estimates and critical judgement used in preparation of financial statement. The same can be done based on following lines:

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Minimum Alternate Tax

Minimum Alternate Tax ("MAT") paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The management estimate the Company to pay normal tax and benefit associated with MAT will flow to the Company within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.

Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of Non-financial assets

The impairment provisions for Non-financial assets are based on assumptions about recoverability. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Going Concern Assumption

Going concern assumption has been applied on the basis that the company will able to continue its operation in the foreseeable future, and without there being any intention or necessity for it to either liquidate or curtail materially its scale of business operations.

2.17 Accounting standards issued but not yet effective

Ind AS 115 'Revenue from contracts with customers' have been published by Ministry of Corporate Affairs (MCA) but are not yet effective. Ind AS 115 establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contract with customers. Ind AS 115 supersedes other revenue standards i.e. Ind AS 11 and Ind AS 18 notified by MCA. Management has undertaken an assessment of the impact of this standard and does not believe that the impact would be material.

3 Property, Plant and Equipment

(Amount in Rs.)

Particulars	Office Equipments	Computer Hardware	Furniture & Fixtures	Vehicles	Leasehold Improvements	Total
Deemed Cost or Gross Carrying Amount						
Cost as at 01.04.2016	1,84,98,167	35,32,81,365	50,45,782	51,75,165	1,18,00,000	39,38,00,478
Addition	13,03,934	1,72,964	66,911	-	30,59,135	46,02,944
Disposal	4,04,971	1,22,709	-	27,72,745	-	33,00,425
Gross Carrying amount as at 31.03.2017/01.04.2017	1,93,97,130	35,33,31,620	51,12,693	24,02,420	1,48,59,135	39,51,02,997
Addition	18,45,360	2,88,89,621	-	14,81,711	-	3,22,16,693
Disposal	31,39,867	2,13,052	-	-	-	33,52,919
Gross Carrying amount as at 31.03.2018	1,81,02,623	38,20,08,189	51,12,693	38,84,131	1,48,59,135	42,39,66,771
Accumulated Depreciation						
Accumulated Depreciation as at 01.04.2016	1,02,98,222	20,21,04,473	14,19,452	18,58,654	71,89,918	22,28,70,719
Depreciation charges during the year	40,53,088	5,15,55,596	5,09,752	4,48,638	27,40,468	5,93,07,542
Disposals	2,95,153	1,22,709	-	12,27,358	-	16,45,220
Accumulated Depreciation as at 31.03.2017/01.04.2017	1,40,56,157	25,35,37,360	19,29,204	10,79,934	99,30,386	28,05,33,041
Depreciation charges during the year	39,81,748	5,22,08,480	5,11,733	3,17,204	28,58,594	5,98,77,759
Disposals	31,34,349	2,13,053	-	-	-	33,47,402
Accumulated Depreciation as at 31.03.2018	1,49,03,556	30,55,32,787	24,40,937	13,97,138	1,27,88,980	33,70,63,398
Net Carrying amount as at 31.03.2018	31,99,067	7,64,75,402	26,71,756	24,86,993	20,70,155	8,69,03,373
Net Carrying amount as at 31.03.2017	53,40,973	9,97,94,260	31,83,489	13,22,486	49,28,749	11,45,69,956
Net Carrying amount as at 01.04.2016	81,99,945	15,11,76,892	36,26,330	33,16,511	46,10,082	17,09,29,759

4 Intangible Assets and Intangible Assets under development

(Amount in Rs.)

Particulars	Computer Software**	Intangible asset under development	Total
Deemed Cost or Gross Carrying Amount			
Cost as at 01.04.2016	1,00,21,68,936	50,00,000	1,00,71,68,936
Addition	7,78,40,403	1,38,85,749	9,17,26,153
Disposal	-	-	-
Gross Carrying amount as at 31.03.2017/01.04.2017	1,08,00,09,340	1,88,85,749	1,09,88,95,089
Addition	4,37,22,014	4,17,06,674	8,54,28,688
Disposal	-	4,27,16,450	4,27,16,450
Gross Carrying amount as at 31.03.2018	1,12,37,31,354	1,78,75,973	1,14,16,07,328
Accumulated Depreciation			
Accumulated Depreciation as at 01.04.2016	47,95,10,518	-	47,95,10,518
Depreciation charges during the year	7,99,60,222	-	7,99,60,222
Disposals	-	-	-
Accumulated Depreciation as at 31.03.2017/01.04.2017	55,94,70,740	-	55,94,70,740
Depreciation charges during the year	8,56,73,963	-	8,56,73,963
Disposals	-	-	-
Accumulated Depreciation as at 31.03.2018	64,51,44,703	-	64,51,44,703
Net Carrying amount as at 31.03.2018	47,85,86,651	1,78,75,973	49,64,62,625
Net Carrying amount as at 31.03.2017	52,05,38,600	1,88,85,749	53,94,24,349
Net Carrying amount as at 01.04.2016	52,26,58,418	50,00,000	52,76,58,418

(Other than internally generated)

** In certain cases the company has only usage right and not the title or ownership amounting to Rs. 3,984.52 Lakhs (PY 2016-17 Rs. 4,515.08 Lakhs, PY 2016-17 Rs. 4,928.08 Lakhs)

5 Non Current Investment

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Investment in Equity Instrument						
Unquoted (at cost)						
Subsidiary Companies						
28,31,20,991 Equity Shares (PY 2016-17 - 8,15,54,616, PY 2015-16 - 5,77,50,000) of Metropolitan Clearing Corporation India Limited of Rs.10 each fully paid-up.	2,83,12,09,910		81,55,46,160		57,75,00,000	
50,000 Equity Shares (PY 2016-17 - 50,000, PY 2015-16 - 50,000) of MCX-SX KYC Registration Agency Ltd. of Rs.10 each fully paid-up.	5,00,000		5,00,000		5,00,000	
	2,83,17,09,910		**81,60,46,160**		**57,80,00,000**	
Less :- Provision for dimunition in the value of Investments	**2,25,023**	**2,83,14,84,887**	**2,04,328**	**81,58,41,832**	**1,50,000**	**57,78,50,000**
Total		**2,83,14,84,887**		**81,58,41,832**		**57,78,50,000**
Aggregate book value of quoted investments		–		–		–
Aggregate market value of quoted investments		–		–		–
Aggregate carrying value of un-quoted investments		2,83,14,84,887		81,58,41,832		57,78,50,000
Aggregate amount of impairment in value of investments		2,25,023		2,04,328		1,50,000

6 **Other Financial Assets**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Non Current Bank Balance						
Deposit with banks (with Original Maturity more than 12 months)*		34,70,83,627		14,56,52,184		–
Others						
Sundry Deposits		2,07,39,887		1,92,46,097		4,39,73,645
Total		**36,78,23,514**		**16,48,98,281**		**4,39,73,645**

* Includes Rs.95,83,627/- (PY 2016-17 Rs.70,52,184/-, PY 2015-16 Rs.63,85,702/-) earmarked towards the Investor Service Fund.

7 **Income Tax Assets (Net)**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Advance income tax (net)		10,02,05,629		13,92,81,778		11,46,04,870
Interest paid under protest		82,91,330		82,91,330		–
MAT credit entitlements		1,85,54,307		1,85,54,307		1,85,54,307
Total		**12,70,51,266**		**16,61,27,415**		**13,31,59,177**

8 **Other Non-Current Assets**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good)						
Tax recoverable, statutory deposits and dues from government		37,92,78,492		35,13,88,313		36,30,89,340
Prepaid expenses		17,09,101		18,93,969		23,13,325
Capital advances		–		92,36,000		–
Total		**38,09,87,593**		**36,25,18,282**		**36,54,02,665**

9 **Current Investments**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Units	Rupees	Units	Rupees	Units	Rupees
(Unsecured, considered good)						
In Mutual Funds						
Investments in mutual funds at FVTPL						
Reliance Liquidity Fund - Growth	-	-	-	-	4,396	**1,00,40,023**
Franklin India Treasury Management Account Super Institutional Plan - Growth	-	-	-	-	9,688	**2,19,55,810**
SBI Premier Liquid Fund - Growth	-	-	-	-	2,116	**50,37,511**
HDFC Liquid Plan - Growth	56.440	**1,93,251**	8,201.770	**2,63,18,802**	3,357.740	**1,00,40,307**
HDFC Floating Rate Income - ST -WP - Direct (G)	17.620	**535**	-	-	-	-
ICICI Prudential Money Market Fund - Direct Growth	41,707.940	**1,00,29,257**	-	-	-	-
HDFC High Interest Fund - STP -Dir - Growth	7,69,398.270	**2,73,68,266**	-	-	-	-
SBI Magnum Gilt Fund -Long Term - DP -Growth	13,10,879.540	**5,10,63,739**	-	-	-	-
ICICI Prudential Saving Fund - DP Growth	3,37,074.210	**9,11,26,395**	-	-	-	-
Total		**17,97,81,443**		**2,63,18,802**		**4,70,73,651**
Aggregate book value of quoted investments		-		-		-
Aggregate market value of quoted investments		**17,97,81,443**		**2,63,18,802**		**4,70,73,651**
Aggregate carrying value of un-quoted investments		-		-		-
Aggregate amount of impairment in value of investments		-		-		-

Note :- Rs. 11,26,16,965 (PY 2016-17 Rs. 2,63,18,802, PY 2015-16 Rs. 2,15,00,000) are towards making payments of the deposits of members in future

10 **Trade receivables**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Current						
Unsecured, considered good		1,20,93,599		80,22,704		1,89,41,566
Doubtful	27,26,605		11,08,977		6,68,679	
Less :- Allowance for doubtful debts (expected credit loss allowance)	27,26,605	-	11,08,977	-	6,68,679	-
Total		**1,20,93,599**		**80,22,704**		**1,89,41,566**

Note 1 Trade receivables are dues in respect of services rendered in the normal course of business.
Note 2 The Normal credit period allowed by the Company ranges from 0 to 60 days.
Note 3 The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by individual departments.
Note 4 There are no dues by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Movement in expected credit loss allowance

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance at the beginning of the year		11,08,977		6,68,679		5,10,876
Impairment loss allowance on trade receivables		16,17,628		4,40,298		1,57,803
Balance at the end of the year		**27,26,605**		**11,08,977**		**6,68,679**

11 **Cash and cash equivalent**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance with banks						
- In current accounts	67,20,619		3,96,27,853		97,46,175	
- Fixed Deposit with banks having maturity less than 3 months	–		–			
Stamps in hand	2,37,550		2,39,780		2,39,790	
Cash on hand	90,315		43,955		52,555	
Total		**70,48,484**		**3,99,11,588**		**1,00,38,520**

12 **Other Bank balance**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Other Bank Balances in Fixed Deposits *		5,00,000		41,24,00,000		69,23,85,702
* Includes :						
Rs.5,00,000/- (PY 2016-17 Rs.10,00,000/-, PY 2015-16 Rs. Nil/-) earmarked towards the Investor Service Fund.						
Total		**5,00,000**		**41,24,00,000**		**69,23,85,702**

13 **Other Financial Assets**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Loan to Metropolitan Stock Exchange ESOP Trust	10,71,731		10,22,329		10,07,709	
Less :- Provision for Doubtful Loan	5,50,000	5,21,731	5,50,000	4,72,329	5,50,000	4,57,709
Interest accrued on Fixed Deposits*		39,83,518		97,96,233		3,23,05,705
Other		10,726		10,727		2,11,129
Total		**45,15,975**		**1,02,79,289**		**3,29,74,543**

* Includes :Rs.3,27,846/- (PY 2016-17 Rs.2,74,147/-, PY 2015-16 Rs. 1,18,947/-) earmarked towards the Investor Service Fund.

14 **Income Tax Assets (Net) - Current**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Advance Income Tax (Net of Provision)		4,10,06,075		2,74,87,723		12,04,58,193
Total		**4,10,06,075**		**2,74,87,723**		**12,04,58,193**

15 **Other Current Assets**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good, unless otherwise stated)						
Tax recoverable, statutory deposits and dues from government		2,88,03,581		-		-
Advances to vendors		3,31,47,199		33,78,590		17,67,648
Advances to employees(Refer Note 41)		8,54,549		-		-
Prepaid expenses		2,25,81,063		1,29,86,576		1,43,90,178
Sundry deposits		-		400		20,00,00,000
Other loan and advances	6,65,451		6,94,467		1,73,732	
Less :- Provision for doubtful advance	5,10,000	1,55,451	5,10,000	1,84,467	-	1,73,732
Total		**8,55,41,843**		**1,65,50,033**		**21,63,31,558**

16 **(a) Share Capital:**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Authorised :						
5,50,00,00,000 (PY 2016-17: 3,50,00,00,000, PY 2015-16: 3,50,00,00,000) Equity Shares of Re.1/- each		5,50,00,00,000		3,50,00,00,000		3,50,00,00,000
Issued :						
4,78,23,68,284 (PY 2016-17 : 3,18,51,81,273, PY 2015-16 : 1,94,66,69,121) Equity Shares of Re.1/- each		4,78,45,74,846		3,18,51,81,273		1,94,66,69,121
Subscribed and Paid-up	**4,78,23,68,284**		**2,46,45,33,914**		**1,94,66,69,121**	
4,78,23,68,284 (PY 2016-17 : 2,46,45,33,914, PY 2015-16 : 1,94,66,69,121) Equity Shares of Re.1/- each						
Less :- Amount recoverable from Metropolitan Stock Exchange ESOP Trust (Refer Note 16.2) 49,77,671 [(PY 2016-17 Rs.49,77,671, PY 2015-16 Rs.49,92,291) equity shares of Re 1/- each fully paid allotted to the Metropolitan Stock Exchange ESOP Trust]	**49,77,671**		**49,77,671**		**49,92,291**	
		4,77,73,90,613		2,45,95,56,243		1,94,16,76,830
Total		**4,77,73,90,613**		**2,45,95,56,243**		**1,94,16,76,830**

Rights of equity share holders

The company has only one class of equity shares having a par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the shares outstanding at the beginning and at the end of year.

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Equity shares						
At the beginning of the Year	2,46,45,33,914	2,46,45,33,914	1,94,66,69,121	1,94,66,69,121	1,16,34,13,045	1,16,34,13,045
Issued during the Year*	2,31,78,34,370	2,31,78,34,370	51,78,64,793	51,78,64,793	78,32,56,076	78,32,56,076
Outstanding at the end of the Year	**4,78,23,68,284**	**4,78,23,68,284**	**2,46,45,33,914**	**2,46,45,33,914**	**1,94,66,69,121**	**1,94,66,69,121**

*Notes

1 Company during the Previous year 2016- 17 issued 26,51,77,600 equity shares of MSEI to MCX in lieu of Warrants held by MCX as per SEBI Approval Letter dated 28th Sept'16. Further, the Company alloted 25,26,87,193 equity shares during the previous year 2016-17on right issue basis in the ratio of 1:1 at par

2 Company during the year issued 1,59,71,87,011 equity shares on right issue basis in the ratio of 1:1 at premium @ 0.30% and further issued 72,06,47,359 equity shares at par out of the unsubscribed portion of the right issue.

Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Equity shares of Re.1/- each fully paid-up						
Multi Commodity Exchange Of India Ltd	33,17,77,008	6.94%	33,17,77,008	13.53%	6,65,99,408	3.42%

B. Other Equity

Particulars	Reserves & surplus				Other comprehensive income	Total
	Securities premium account	Retained earnings	Non Refundable Interest Free Deposits Against Warrants	Warrant application money pending allotment	Remeasurement of employees benefit	
As at 1 April 2016	**3,51,56,66,074**	**(3,81,47,30,994)**	**41,59,32,672**	**-**	**-**	**11,68,67,752**
Application money received	-	-	-	34,31,295	-	34,31,295
Allotment during the year	-	-	(26,51,77,600)	-	-	(26,51,77,600)
Refunded	-	-	(15,07,40,072)	-	-	(15,07,40,072)
Addition	-	-	-	-	(4,69,840)	(4,69,840)
Profit for the year	-	(34,22,47,029)	-	-	-	(34,22,47,029)
As at 31 March 2017 / 1 April 2017	**3,51,56,66,074**	**(4,15,69,78,023)**	**15,000**	**34,31,295**	**(4,69,840)**	**(63,83,35,495)**
Add : Addition on share issued	47,71,15,243	-	-	-	-	47,71,15,243
Less : Share Issue Expenses (Note 16.5)	(6,48,72,690)	-	-	-	-	(6,48,72,690)
Application money received	-	-	-	-	-	-
Allotment during the year	-	-	-	(34,01,760)	-	(34,01,760)
Addition	-	-	-	-	16,94,749	16,94,749
Profit for the year	-	(55,63,55,149)	-	-	-	(55,63,55,149)
As at 31 March 2018	**3,92,79,08,627**	**(4,71,33,33,172)**	**15,000**	**29,535**	**12,24,909**	**(78,41,55,102)**

16.1 Warrant application money pending allotment

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.29,535 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 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.

16.2 Shares reserved for issue under options

i) The Convertible share warrant holders have the option to convert their share warrant into 15,000 (PY 2016-17 15,000, PY 2015-16 41,59,32,672) equity shares of Re.1 each at the terms and conditions mentioned in note no.5.

ii) 81,84,600 (PY 2016-17 81,84,600, PY 2015-16 81,84,600) equity shares of Re.1 each have been reserved to be allotted to the ESOP trust under ESOP Scheme.

16.3 Loan to ESOP Trust

The Company's ESOP is administered through an ESOP Trust, which subscribes to shares of the Company and holds them until issuance thereof based on vesting and exercise of options by employees. At the time of formation of the trust, the Company has provided an interest free loan amounting to Rs. 60,00,000 to the Trust to subscribe to 54,33,000 shares issued at Re. 1 per share and were allotted on November 20, 2009. The amount of loan equivalent to the face value of securities subscribed and not allotted to employees 49,77,671 (Previous Year Rs. 49,92,291) has been deducted from share capital account and the balance part of the loan representing the amount of Rs. 10,07,709 (Previous Year Rs. 10,07,709] has been added to short term loans and advances in note no.13. The balance of such loan as at March 31, 2018 is Rs. 60,00,000. The repayment of the loan is primarily dependent upon the exercise of options by the employees, the price at which fresh or reissued options are granted and dividend income earned thereon till exercise of options. The Company believes that the options would be exercised by the employees and the Trust would be able to repay the loan based on the price received by the Trust there against. On that basis, the loan to the Trust is considered as good of recovery net of the impairment made considered necessary.

16.4 Non Refundable Interest Free Deposits Against Warrants

As on March 31, 2015, MCX held 4,82,11,514 equity shares and 59,16,00,731 warrants. During the financial year 2015-16, MCX exercised 1,83,87,894 warrants into Equity shares and transferred 15,72,95,165 warrants to buyers which were exercised into Equity Shares, out of which one applicant holding 15,000 warrants did not have demat account, hence the said warrants are not exercised into equity shares.

16.5 Share Issue Expesnes

In accordance with Section 52 of the Companies Act, 2013, during the year the company has utilised securities premium account towards share issue expenses.

17 Other long-term liabilities

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards :						
- Deposits		35,36,02,787		34,79,02,540		46,31,40,624
- Shared service cost recovery (From subsidiary company- MCCIL)		-		15,98,37,500		-
Total		**35,36,02,787**		**50,77,40,040**		**46,31,40,624**

18 Provisions - Non Current

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Provision for leave encashment		13,95,115		32,32,671		47,42,983
Total		**13,95,115**		**32,32,671**		**47,42,983**

19 Borrowings

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Secured						
Working Capital facility from bank (The above loan is secured against charge on Fixed Deposits made with the banks)		-		-		5,02,07,650
Total		**-**		**-**		**5,02,07,650**

20 Trade Payables

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Micro, Small and Medium Enterprises		-		-		-
Others		8,09,52,831		5,46,17,662		9,41,37,408
Total		**8,09,52,831**		**5,46,17,662**		**9,41,37,408**

21 Other current financial liabilities

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Deposits from members		15,59,25,853		23,84,80,791		24,64,80,787
Total		**15,59,25,853**		**23,84,80,791**		**24,64,80,787**

22 **Other Current Liabilities**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Unearned Income towards :						
- Vsat connectivity charges	45,374		2,52,747		8,51,551	
- Admission fees	5,00,000		2,50,000		12,00,000	
- Other unearned incomes	26,15,216		-		-	
- POP and Co-location Charges	-		96,29,780		1,00,58,313	
- Transaction Charges	-		65,87,550		40,25,933	
- Shared Service Cost Recovery	-	**31,60,590**	3,36,50,000	**5,03,70,077**	-	**1,61,35,797**
Investor Service fund # [Including interest earned of Rs. 6,79,929/- (PY 2016-17 Rs.5,51,869, 2015-16 Rs.4,80,826)]		1,07,74,655		90,67,982		72,51,112
Sebi Regulatory Fees		50,00,000		50,00,000		50,00,000
TDS Payable		47,57,460		43,01,227		70,99,687
Other Liabilities including Statutory Liabilities		57,47,235		55,44,059		33,73,972
Lease Equilisation		51,11,400		20,44,560		-
Total		**3,45,51,340**		**7,63,27,905**		**3,88,60,568**

Investor Service Fund was established by the Company in accordance with SEBI approval letter dated September 18, 2008. The fund is maintained to provide services to investors which include maintenance of investor grievance cell, education and awareness about securities market, price dissemination and other services that are in the interest of the investor. The balance amounting to Rs.1,07,74,656 (PY 2016-17 Rs. 90,67,982, PY 2016-17 Rs. 72,51,113) as at March, 31, 2018 represents the Listing Fees Contribution, net of expenses and interest earned thereon.

23 **Provisions - Current**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Provision for gratuity		12,54,366		24,66,722		2,45,447
Provision for leave encashment		2,82,874		2,63,717		8,17,349
Total		**15,37,240**		**27,30,439**		**10,62,796**

24 **Revenue from operations**

Particulars	2017-18		2016-17	
	Rupees	Rupees	Rupees	Rupees
Revenue from operations				
Sale of services -				
Transaction Fees		2,16,54,700		4,56,57,444
Other operating revenue -				
Membership Admission Fees		2,50,000		14,50,000
Processing Fees		2,37,70,000		6,71,20,000
Listing Fees		1,03,94,200		67,52,500
Vsat connectivity income		6,96,166		7,40,555
Other connectivity charges		1,27,13,129		1,85,16,878
Data Feed Charges		43,69,864		58,66,831
Examination Fees		7,51,035		1,33,400
Membership Surrender Fee		73,00,000		2,14,50,000
Other revenue from Operations		29,52,252		27,82,092
Total		**8,48,51,346**		**17,04,69,700**

25 **Other income**

Particulars	2017-18		2016-17	
	Rupees	Rupees	Rupees	Rupees
Interest on Bank Deposits		3,07,31,913		4,89,86,136
Interest Income Others		37,30,352		5,53,64,586
Profit on sale of Current Investments (Net)		95,50,860		33,71,454
Fair valuation of Mutual fund		44,58,106		1,39,402
Profit on sale of assets		23,177		43,353
Miscellaneous Income		25,65,793		20,96,990
Total		**5,10,60,201**		**11,00,01,921**

26 **Operating expenses**

Particulars	2017-18		2016-17	
	Rupees	Rupees	Rupees	Rupees
Clearing and Settlement Charges		23,08,987		67,38,123
Technology Cost		6,60,20,703		5,95,32,653
Sebi Regulatory Charges		59,79,750		56,03,250
Internet Connectivity Charges		2,31,452		3,84,129
Direct Communication Expenses		1,54,03,310		2,05,52,203
POP / NPN Charges		2,33,19,697		3,23,15,985
Co-Location Charges		2,01,75,417		2,66,40,206
Total		**13,34,39,316**		**15,17,66,549**

27 **Employee benefits expense**

Particulars	2017-18		2016-17	
	Rupees	Rupees	Rupees	Rupees
Salaries, Allowances and Bonus		16,16,48,775		13,72,52,360
Contribution to Provident Fund and other funds		86,03,801		79,46,400
Staff Welfare and Other Amenities		28,17,127		18,27,724
Total		**17,30,69,703**		**14,70,26,484**

28 **Finance costs**

Particulars	2017-18		2016-17	
	Rupees	Rupees	Rupees	Rupees
Interest expenses		-		29,16,152
Other Finance Costs		-		50,464
Total		**-**		**29,66,616**

29 **Advertisement and Business Promotion Expenses**

Particulars	2017-18		2016-17	
	Rupees	Rupees	Rupees	Rupees
Advertisement		6,23,50,060		3,27,91,365
Business Promotion Expenses		1,04,05,350		52,38,401
Sponsorships and Seminar		76,19,518		25,00,000
Total		**8,03,74,928**		**4,05,29,766**

30 Other expenses

Particulars	2017-18		2016-17	
	Rupees	Rupees	Rupees	Rupees
Rent		5,04,50,529		4,59,84,858
Repairs and Maintenance - Others		2,42,85,441		3,73,34,768
Insurance		22,92,447		9,28,475
Travelling and Conveyance		42,51,827		23,16,269
Communication Expenses		40,26,369		39,73,993
Legal and Professional Charges		1,79,20,578		1,21,83,932
Electricity Expenses		1,28,80,973		93,50,177
Membership and Subscription Fees		26,41,282		23,26,832
Directors Sitting Fees		35,85,000		27,48,000
Payment to Auditors :				
- Audit Fees	18,35,000		12,50,000	
(Incl. tax audit, ICFR report)				
- Other matters (Certification)	17,78,808		6,51,700	
- Reimbursement	—	36,13,808	11,850	19,13,550
Depletion in Value of Investments		20,695		54,328
Loss on Sale of Fixed Asset (net)		—		4,89,143
Exchange Rate Fluctuation (net)		1,00,314		5,930
ROC Fees		36,337		10,800
Expected Credit Loss		28,32,592		9,50,638
Bank Charges		45,068		32,728
Rates & Taxes		15,65,773		28,46,593
Printing & Stationery		35,89,435		17,65,050
Contribution to ISF		19,01,000		12,65,000
CENVAT Credit written off		1,28,83,556		—
Miscellaneous Expenses		1,09,08,002		1,46,80,407
Total		**15,98,31,026**		**14,11,61,471**

31 **Contingent Liability**

(i) **Claim against the company not acknowledged as debt.**

a. The Income Tax Department has raised tax demand of Rs.921.38 lakh for the assessment year 2012 – 13. The Company, has filed an appeal against the above order. The company has been advised that the demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

b. Company has received a claim of Rs. 60 Lakh towards early termination of a contract, the claim towards which is not tenable as per the opinion of the management.

(ii) **Other money for which the company is contingently liable**

a. The company has entered into various contracts including long term contracts with a company towards software license and maintenance agreements etc. The continuance of these contract shall depend on the future running of the business including raising required resources for the same. Hence, the chances of termination of these contracts and the impact of the same on the financial statements including penalty and charges if any cannot be commented upon.

32 **Capital Commitment**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 36,86,705 as on 31st March, 2018. (as on 31st March, 2017 Rs. 59,09,784).

33 The Company continued to prepare its financials statement on going concern basis in view of the following reasons:

The Company with eminent Board members is spearheading the Exchange with a strong vision for implementing an alternative development model for the Indian securities market.

During the year, Company has increased its equity capital by Rs.279.49 crore (including premium) and has invested Rs.201.57 crore in its subsidiary to meet regulatory requirement. SEBI has renewed the recognition of license of the exchange. Experienced and senior employees have joined the company. New branding and business promotion initiatives have been undertaken. The company and its subsidiary both have more than required net-worth. It also demonstrated capability of raising fresh capital every year for business needs. On all parameters of business, the company has achieved improvement and ensured continuity. Management is therefore justified in preparing the financial statements on going concern basis.

Pursuant to the order passed by the Hon'ble Competition Appellate Tribunal (COMPAT) dismissing the appeal of National Stock Exchange(NSE) against the order of Competition Commission of India levying penalty for abusing its dominance in the market, the Company has filed an application for compensation under Section 53N of the Competition Act, 2002 before the Hon'ble COMPAT for recovery of an amount of Rs.856.99 Crores along with interest pedente lite in future at the rate of 18% till realization of the claim, from NSE in respect of losses and damages suffered on account of the unfair pricing practices under the Competition Act, 2002. At present the Hon'ble Tribunal adjourned the case sine die with liberty to the parties to mention the matter after the decision of the Hon'ble Supreme Court in Civil Appeal no 8974 of 2014.

The company continues to maintain net worth 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. All contractual obligations are being met on time and the company has largely cleared the pending dues to vendors.

The Company has unutilized service tax credit of Rs. 40.81 crores as at March 31, 2018 (previous year Rs. 35.14 crores). As mentioned above, the 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.

Similarly, since the company is confident of improving its business and making profits in future years, no impairment testing is carried out with regard to its tangible and intangible assets.

34 In the Financial year 2012-13, the Company recognized MAT credit entitlement under section 115 JB of Income Tax, Act 1961 amounting to Rs. 1.86 crore. The Company is of the view that it will be under normal income tax in future years and will be in the position to utilize this credit, it continued to carry the above MAT credit entitlement as an asset good for recovery.

35 In some earlier years, the Company could not charge transaction fee in its Currency Derivatives Segment as its dominant competitor, National Stock Exchange of India Ltd. (NSE), was not charging the same. On the complaint of the Company, the Competition Commission of India (CCI) passed an order dated June 23, 2011 directing NSE to cease and desist from carrying on its unfair pricing policy and further levied a penalty of Rs. 55.50 crore on NSE. NSE had appealed against the said order before the Hon'ble Competition Appellate Tribunal (COMPAT), which vide its order dated August 5, 2014 upheld the order passed by the Hon'ble CCI and found NSE guilty of abusing its dominant position as it had indulged in anti-competitive practices.

An appeal has been filed by NSE before the Hon'ble Supreme Court of India challenging the order passed by the COMPAT on August 05, 2014. The Hon'ble Supreme Court granted NSE only a limited interim stay on the recovery of the penalty amount of Rs. 55.50 crores (@ 5% of the average turnover).

At the hearing on February 12, 2018, the counsels were heard and an interim stay was granted to the proceedings of damages during the pendency of the present appeal filed by NSE in Supreme Court. The appeal was then listed on April 13, 2018.

At the hearing on April 13, 2018 upon hearing our counsels, the court passed the order to post the matter on Thursday, 19th July, 2018 for final hearing. Interim orders on the penalty amount to be continued.

While the aforesaid Appeal filed by NSE is pending before the Supreme Court of India, the Exchange has filed an Application for award of compensation for Rs. 856.99 crs. under Section 53N (1) of the Competition Act, 2002 before the COMPAT (now NCLAT). Thereafter the matter had been listed on various dates for hearing. However, due to paucity of time, the matter could not be taken up for hearing.

At the hearing on 29.11.17, the Learned Senior Counsel of the Appellant (MSE) submits that an appeal has been preferred by the Respondent (NSE) before Hon'ble Supreme Court against the order dated 5th August, 2014 passed by COMPAT in Appeal No. 15 of 2011 and no interim order of stay has been passed by the Hon'ble Supreme Court.

In the above said circumstances, the Hon'ble Appellate Tribunal has given an opportunity to the Respondent to press the application for interim relief which is stated to be pending before the Hon'ble Supreme Court. In case of rejection of application for Interim order, this Appellate Tribunal may proceed with the application under Section 53(N) of the Competition Act, 2002.

At the hearing on 08.03.18, the Learned Counsel for the Respondent-NSE brought to the notice of the Appellate Tribunal the order dated 12.02.18 passed by Hon'ble Supreme Court in Civil Appeal No.8974 of 2014 wherein an interim order of stay of proceeding of damages had been passed.

In the circumstances, the Hon'ble Tribunal adjourned the case for sine die with liberty to the parties to mention the matter after the decision of the Hon'ble Supreme Court.

36 Issue of Shares

a 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. 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.

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 MSE.

b. 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.The unsubscribed portion after the above allotment was 72,06,47,359 equity shares as on April 01, 2017. Subsequently, the Board has allotted 72,06,47,359 equity shares out of unsubscribed portion of the Rights Issue on various dates & Rights the said Right issue is closed as fully subscribed.

c. 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.4,77,73,90,613/- (which excludes 49,77,671 equity shares held by Metropolitan Stock Exchange ESOP Trust).

d. The Board at its meeting held on September 24, 2016 also allotted 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 were convertible 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 were eligible for conversion on and after September 24, 2017.Out of the outstanding warrants of 68,62,589, the Exchange received the balance amount of Rs.0.50 per warrant for 68,03,519 warrants. Accordingly, the company has converted 68,03,519 warrants into equity shares of Rs. 1/- each upon receipt of conversion request for same. The outstanding warrants not requested for conversion as on March 31, 2018 is 59,070. The Board had at their meeting held on December 14, 2017 further extended the timeline up to March 31, 2018 for payment of the balance amount.

37 Earnings per share ('EPS')

(Amount in Rs. Except for number of Shares)

Particulars	Apr-17 to Mar-18	Apr-16 to Mar-17
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders	(55,63,55,149)	(34,22,47,029)
Weighted average number of equity shares outstanding during the year for basic EPS	3,67,44,78,072	2,18,41,95,462
Add-Shares Issued to ESOP Trust	49,77,671	49,77,671
Add- Shares on conversion of warrants	15,000	15,000
Weighted average number of equity shares outstanding during the year for diluted EPS	3,67,94,70,743	2,18,91,88,133
Basic earnings per share of face value Re. 1 each	(0.15)	(0.16)
Diluted earnings per share of face value Re. 1 each	(0.15)	(0.16)

The effects of conversion of non refundable interest free deposit against warrants into equity shares and the shares allotted to the ESOP trust pursuant to the employee share based payment plan are anti-dilutive and accordingly not considered for the computation of diluted earnings per share.

38 **Stock based compensation:**

The Company with the authorization of its shareholders, framed the 'MCX Stock Exchange Employees Stock Option Scheme, 2009', which contemplated issue of ESOPs through the Trust route. Accordingly, 'Metropolitan Stock Exchange ESOP Trust' was formed on November 13, 2009, as a trust.

Under the Scheme, the Compensation Committee of the Company shall decide, the options to be granted, the vesting schedule of the options to be granted and other incidental and consequential matters. The Trust shall be obliged to act on the instructions of the Compensation Committee.

a) On November 27, 2009 a total of 11,25,000 stock options (ESOP Round–I) have been granted under the Scheme. Details of the Options granted by the ESOP Trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
27-11-2009	3,71,250	Re.1	01-12-2010	Upto December 1, 2011
	3,71,250	Re.1	01-12-2011	Upto December 1, 2012
	3,82,500	Re.1	01-12-2012	Upto December 1, 2013

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1 each at par. Exercise period for each option is as stated above.

b) On March 20, 2012 a total of 40,55,100 stock options (ESOP Round–II) have been granted under the Scheme. Details of the Options granted by the ESOP Trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
20-03-2012	13,38,183	Rs. 2.10	20-03-2013	Upto March 20, 2014
	13,38,183	Rs. 2.10	20-03-2014	Upto March 20, 2015
	13,78,734	Rs. 2.10	20-03-2015	Upto March 20, 2016

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1 each at Rs. 2.10. Exercise period for each option is as stated above. The maximum exercise period for 19,50,000 options granted to twelve employees is being extended to five years from the date of vesting. Same was approved by shareholders at Annual General Meeting held on September 28, 2013. The exercise period shall end after six months of cessation of employment in case of all employees.

c) On November 1, 2012 a total of 5,53,250 stock options (ESOP Round – III) have been granted under the scheme. Details of the Options granted by the ESOP trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
01-11-2012	1,82,571	Rs. 2.35	01-11-2013	Upto November 1, 2014
	1,82,574	Rs. 2.35	01-11-2014	Upto November 1, 2015
	1,88,105	Rs. 2.35	01-11-2015	Upto November 1, 2016

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1/- each at Rs. 2.35/-. Exercise period for each option is as stated above. The maximum exercise period for 4,03,000 options granted to five employees is being extended to five years from the date of vesting which was approved by shareholders at Annual General Meeting held on September 28, 2013. The exercise period shall end after six months of cessation of employment in case of all employees.

d) On March 12, 2013 a total of 1,45,800 stock options (ESOP Round – IV) have been granted under the scheme. Details of the Options granted by the ESOP trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
12-03-2013	48,113	Rs. 3.95	12-03-2014	Upto March 12, 2015
	48,115	Rs. 3.95	12-03-2015	Upto March 12, 2016
	49,572	Rs. 3.95	12-03-2016	Upto March 12, 2017

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1/- each at an exercise price of Rs. 3.95. Exercise period for each option is as stated above.

The above mentioned total grant of 58,79,150 shares includes 4,46,150 shares acquired by ESOP other than by way of loan from the Company. (Refer note 1 below)

The particulars of number of options granted and lapsed under the Scheme are tabulated below:

Particulars	ESOP 2009 Round-I (Nos.)	ESOP 2009 Round-II (Nos.)	ESOP 2009 Round-III (Nos.)	ESOP 2009 Round-IV (Nos.)
Outstanding at the start of the year	NIL	92,000	3,38,000	NIL
Granted during the year	NIL	NIL	NIL	NIL
Forfeited/Lapsed during the year	NIL	92,000	3,38,000	NIL
Exercised during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the year	NIL	NIL	NIL	NIL
Exercisable / vested at the end of the year	NIL	NIL	NIL	NIL

Other disclosures

Particulars	ESOP 2009 Round-I	ESOP 2009 Round -II	ESOP 2009 Round-III	ESOP 2009 Round -IV
The intrinsic value per option	NIL	NIL	NIL	NIL
The estimated fair value per share	1.15	1.55	1.79	1.79
The estimated fair value per option	0.15	0.25	0.003	0
Date of option granted	Nov 27, 2009	Mar 20, 2012	Nov 01, 2012	Mar 12, 2013

The fair values have been determined using Black-Scholes Model considering the following parameters:

Particulars	ESOP 2009 (Round-I)	ESOP 2009 (Round-II)	ESOP 2009 (Round-III)	ESOP 2009 (Round-IV)
(i) Fair Value of share at grant date	Re.1	Rs. 1.55	Rs. 1.79	Rs. 1.79
(ii) Exercise price	Re.1	Rs.2.10	Rs. 2.35	Rs. 3.95
(iii) Expected volatility	1%	1%	1%	1%
(iv) Option Life	2 Years	2 Years	2 Years	2 Years
(v) Expected Dividends	Expected Dividends have not been taken into consideration since the company has commenced operations in August 2008 and has been incurring losses ever since.	Expected Dividends have not been taken into consideration since the company has commenced operations in August 2008 and has been incurring losses ever since.	The Company has made loss in this financial year and does not intend to propose any dividend for the financial year 2015-16.	The Company has made loss in this financial year and does not intend to propose any dividend for the financial year 2015-16.
(vi) Risk free interest rate	8.00%	8.75%	9.00%	9.00%
(vii) To allow for the effects of early exercise, it is assumed that the employee would exercise the options after vesting date.				

As per the management estimate the loss of the Company for the year would have been Nil (and Previous Year Nil) had the Company accounted the employee share-based payment using the fair value method. There is no material impact on the earnings per share.

Note:

A loan of Rs. 10,49,970/- was taken for acquiring 6,77,400 Equity Shares of Re.1/- each at a valuation of Rs. 1.55/- per share for funding the acquisition of shares in respect of options to be granted to the non-executive directors of MSEI and the employees and directors of its subsidiary Metropolitan Clearing Corporation of India Ltd. (formerly known as MCX-SX Clearing Corporation Limited). The status for the same as follows:

Shares Issued till 31st March '17	Shares Issued in current year	Balance Shares as on 31st March 2018	Total Shares Acquired
1,47,337	-	5,30,063	6,77,400
(1,47,337)	-	(5,30,063)	(6,77,400)

The total number of options lapsed as on March 31, 2018 are as follows:-

Round I	Round II	Round III	Round IV	Total
4,20,000	34,80,508	5,53,250	1,45,800	45,99,558

As per Clause 4.1 of ESOP Scheme 2009, the aforesaid Forfeited/lapsed stock options under this scheme can be granted to other employees including new employees by the Trust in accordance with the directions of the Compensation Committee given at its absolute discretion.

39 Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit

Defined Contribution Plan:

Provident Fund - The Company makes contribution towards provident fund as a specified percentage of the payroll cost to Regional Provident Fund Commissioner managed by the Employees' Provident Fund Organization, India. There are no other obligations other than the contribution payable to said fund.

Contribution to Defined Contribution Plan, recognised as expenses in the Statement of Profit & Loss for the year is as under:

(Amount in Rs.)

Particulars	2017-18	2016-17
Employer's Contribution to Provident Fund	58,68,746	55,20,564

Defined benefit plan:

Gratuity: The gratuity is payable to all members at the rate of 15 days salary for each year of service.

The scheme is funded with an insurance company in the form of qualifying insurance policy. The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2017 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2018.

I Changes in the present value of the Defined Benefit Obligation representing reconciliation of opening and closing balances thereof are as follows:

(Amount in Rs.)

Particulars	Gratuity	
	2017-18 (Funded)	2016-17 (Funded)
Defined Benefit Obligation at the beginning of the year	98,60,153	87,97,760
Current Service cost	22,98,026	19,31,186
Interest Cost	7,18,805	7,07,340
Liability transfer in	-	-
Liability transfer out	-	-
Actuarial (gain) / loss	(18,37,043)	2,05,215
Benefits paid	(10,52,244)	(17,81,348)
Defined Benefit obligation at the end of the year	99,87,697	98,60,153

II Reconciliation of opening and closing balance of the Fair value of Plan Assets- (Amount in Rs.)

Particulars	Gratuity	
	2017-18	2016-17
Fair Value of Plan Assets at the beginning of the year	73,93,431	85,52,313
Expected Return On Plan Assets	5,38,981	6,87,606
Contribution during the year	19,95,458	1,99,485
Transfer From Other Company	-	-
Transfer To Other Company	-	-
Benefit Paid From The Fund	(10,52,244)	(17,81,348)
Actuarial Gains/(Losses) On Plan Assets	(1,42,295)	(2,64,625)
Fair Value of Plan Assets at the end of the year	87,33,331	73,93,431

III The amount recognized in the Balance Sheet as follows:- (Amount in Rs.)

Particulars	Gratuity	
	2017-18	2016-17
Present value of Benefit Obligation at the end of the Project	(99,87,697)	(98,60,153)
Fair Value of Plan Asset at the end of the Period	87,33,331	73,93,431
Funded Status (Surplus / (Deficit))	(12,54,366)	(24,66,722)
Net Liability/(Asset) recognized in Balance Sheet	(12,54,366)	(24,66,722)

IV The amount recognized in the statement of Profit & Loss is as follows: (Amount in Rs.)

Particulars	Gratuity	
	2017-18 (Funded)	2016-17 (Funded)
Current service cost	22,98,026	19,31,186
Interest Cost	1,79,824	19,734
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Net expenses	24,77,850	19,50,920

V The amount recognized in the Balance Sheet as follows:- (Amount in Rs.)

Particulars	Gratuity	
	2017-18	2016-17
Acruatial (Gains) / Losses on obligation for the period	(18,37,043)	2,05,215
Return on plan assets, excluding interest income	1,42,295	2,64,625
Change in asset Ceiling	-	4,69,840
Net (income) / expense for the priod recognized in OCI	(16,94,748)	4,69,840

VI Expected payout from the fund / employer (Amount in Rs.)

Particulars	Fund		Gratuity	
	2017-18	2016-2017	2017-18	2016-2017
Projected benefits payable in Future Years from Date of reporting				
1st Following year	21,72,576	1,83,586	-	-
2nd Following year	6,11,128	2,22,331	-	-
3rd Following year	6,17,349	2,41,883	-	-
4th Following year	6,40,747	12,61,620	-	-
5th Following year	6,77,764	2,54,641	-	-
6th - 10th Following years	37,92,626	37,32,754	-	-
11th year and above	1,23,91,143	2,45,32,200	-	-

VII **Sensitivity Analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in Rs.)

Particulars	Gratuity	
	2017-18	2016-17
Projected benefit obligation on Current Assumption	99,87,697	98,60,153
Effect of +1% change in Rate of dicounting	(6,57,546)	(11,41,695)
Effect of -1% change in Rate of dicounting	7,58,939	13,70,965
Effect of +2% change in Rate of Salary Increase	16,27,415	29,54,268
Effect of -2% change in Rate of Salary Increase	(12,63,887)	(21,28,011)
Effect of +5% change in Rate of Employee Turnover	1,10,562	(3,15,816)
Effect of -5% change in Rate of Employee Turnover	(3,37,490)	3,09,509

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

VIII Principal actuarial assumptions at the Balance sheet date: (Amount in Rs.)

Particulars	Gratuity As at	
	31-Mar-18	31-Mar-17
Mortality Table(LIC)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Rate of employee turnover	For service 4 yrs & below 19% pa & 7% pa thereafter	For service 4 yrs & below 10% pa & 2% pa thereafter
Discount rate (per annum)	7.78%	7.29%
Expected Return on Plan Asset	7.78%	7.29%
Rate of escalation in salary (per annum)	6.50%	7.50%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

The company has taken a Gratuity Policy with Life Insurance Corporation of India, the funds of which are managed by Life Insurance Corporation of India. Therefore the composition of investments is not ascertainable

40 **Segment Reporting**

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 allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial statements has disclosed the segment information to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

41 **Ind AS 24 - Related party Disclosures**

a) **Names of related parties and nature of relationship:**

(i) **Subsidiary**

- Metropolitan Clearing Corporation Of India Limited (MCCIL)
- MCX-SX KYC Registration Agency Limited(MCX-SX KYC)

(ii) **Key Management Personnel (KMP)**

- Mr. Udai Kumar (MD & CEO)
- Mr. Abhijit Chakraborty (COO) upto March 15, 2018
- Mr. Chetan Utture (CFO) upto October 13, 2017
- Mr. Kunal Sanghavi (CFO) w.e.f. February 12, 2018
- Ms. Sangeeta Shetty (Company Secretary) upto January 23, 2017
- Mr. Rathindra Das (Company Secretary) upto January 5, 2018

(iii) **Others**

- Metropolitan Stock Exchange ESOP Trust
- MCX Stock Exchange Investor Protection Fund Currency Derivative Segment Trust (MCX SX IPF CDS Trust)

b) **Details of transactions with related parties**

Nature of Transaction	MCX-SX KYC Registration Agency Limited (Subsidiary)	Metropolitan Clearing Corporation Of India Ltd (Subsidiary)	MCX SX IPF CDS Trust (Others)#	Metroplitan Stock Exchange ESOP Trust (Others)
Clearing and settlement charges	- (-)	23,08,987 (67,38,123)	- (-)	- (-)
Rent income	- (-)	61,69,188 (49,27,448)	- (-)	- (-)
Shared service cost recovered / (Reversed)	- (-)	7,42,91,661 (3,71,02,962)	(53,00,000) (53,00,000)	- (-)
Shares allotted to ESOP Trust	- (-)	- (-)	- (-)	- (-)
Advance Shared service cost recovered	- (-)	- (20,19,00,000)	- (-)	
Trade Receivable	- (24,550)	63,32,297 (19,34,499)	- (-)	49,402 (28,702)
Investments in equity shares	- (-)	2,01,56,63,750 (23,80,46,160)	- (-)	- (-)
Closing Balance of Investments in equity shares	5,00,000 (5,00,000)	2,83,12,09,910 (81,55,46,160)	- (-)	- (-)
Contribution towards core settlement guarantee fund (CSGF)	- (-)	- -	- (-)	- (-)
Closing Balance of Loan to ESOP Trust	- (-)	- (-)	- (-)	60,00,000 (60,00,000)
Closing Balance	- (-)	63,32,297 (19,54,21,999)	- (-)	49,402 (-)

The company acts as an intermediary for collection of penalties and share of listing fees to be transferred to MCX SX IPF CDS Trust accordingly those transactions have not been considered above.

c) **Transactions with KMP:**

Nature of transactions	Amount (Rs.)
Salary & allowances*:	
Mr.Udai Kumar	84,12,213 (84,53,116)
Mr.Abhijit Chakraborty	46,36,955 (42,90,066)
Mr.Chetan Utture	15,08,711 (13,54,145)
Mr. Kunal Sanghavi	5,42,731 -
Ms.Sangeeta Shetty	- (13,75,482)
Mr.Rathindra Das	18,22,309 (31,388)
Advances :	
Mr.Udai Kumar	8,50,735 (-)
Closing Balance	6,38,051 (-)

*Excludes gratuity and long term compensated absences which are actuarially valued and where separate amounts are not identifiable.

(i) Related party relationship is as identified by the Company and relied upon by the auditors.

(ii) There are no amounts written off or written back in the year in respect of debts due from or to related parties.

(iii) Figures in bracket represent previous year's amounts.

(iv) The transactions with the related parties are disclosed only till the relation exists.

(v) Transaction charges collected by Metropolitan Clearing Corporation Of India Limited on behalf of the company and paid to the company have not been considered for the aforesaid disclosure.

42 Details of dues to micro, small and medium enterprises

The company has not received information for its vendors / service providers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at the year end, together with interest payable (if any), under this Act has not been made.

43 Operating lease

The Company has entered into operating lease agreements for its office premises.

a) The minimum lease rentals on operating leases recognized in the statement of Profit & Loss and the future minimum lease payments under operating leases are as follows:

Particulars	As at 31-Mar-18	As at 31-Mar-17
Future minimum lease payments		
Not later than one year	5,24,54,525	5,23,57,024
Later than one year and not later than five years	12,48,00,117	17,59,30,947
Later than five years	-	-

b) Lease payments recognised in the statement of Profit & Loss is Rs. 5,66,19,717/- (Previous year Rs. 5,21,54,046/-).

c) Sub-lease payment received and recognised in the statement of Profit & Loss is Rs. 61,69,188/- (Previous Year Rs. 61,69,188).

44 **Fair value Measurement**

Financial Instruments by category (Amount in Rs.)

Particulars	31/03/2018			31/03/2017			01/04/2016		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets									
Investments									
Equity Instruments	-	-	2,83,14,84,887	-	-	81,58,41,832	-	-	57,78,50,000
Mutual Funds	17,97,81,443	-	-	2,63,18,801	-	-	4,70,73,651	-	-
Trade receivables	-	-	1,20,93,599	-	-	80,22,704	-	-	1,89,41,566
Cash and Cash equivalents	-	-	70,48,484	-	-	3,99,11,588	-	-	1,00,38,520
Bank balances other than cash and cash equivalents	-	-	5,00,000	-	-	41,24,00,000	-	-	69,23,85,702
Deposits	-	-	36,78,23,514	-	-	16,48,98,281	-	-	4,39,73,645
Other receivables	-	-	45,15,975	-	-	1,02,79,288	-	-	3,29,74,543
Total financial assets	17,97,81,443	-	3,22,34,66,459	2,63,18,801	-	1,45,13,53,693	4,70,73,651	-	1,37,61,63,977
Financial liabilities									
Trade payables	-	-	8,09,52,831	-	-	5,46,17,662	-	-	9,41,37,408
Other financial liabilities	-	-	50,95,28,640	-	-	74,62,20,831	-	-	70,96,21,411
Total financial liabilities	-	-	59,04,81,470	-	-	80,08,38,493	-	-	80,37,58,819

The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including creditors, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Fair Value Hierarchy

(a) **Fair value hierarchy - Recurring fair value measurements** (Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Financial assets		
At Fair value through profit & loss		
Level 1		
Mutual fund Investments	17,97,81,443	2,63,18,801
	17,97,81,443	2,63,18,801

Recognised fair value measurements

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

"Specific valuation techniques used to value financial instruments include:

• the use of quoted market prices of instruments"

45 **Capital management**

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the Company shall have a minimum net worth of Rs. 100 Crore at all times.

46 **Financials Risk Management**

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk), regulatory risk and clearing & settlement risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The demographics of the customer, including the default risk of the industry in which the customer operates, also has an influence on credit risk assessment.

The Company provides the stock exchange services to its listed customers and registered members (who have provide the collaterals and other securities for trading done on its platform), hence the Company operates with large number of customers portfolio and its revenue is not concentrated on small number of customers. All trade receivables are reviewed and assessed for default on a periodic basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2018.

Other Financial Assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in debt mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the

Company's Finance Department.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows. The company is also taking steps to improve liquidity going forward by focusing on new initiatives taken recently.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016

(Amount in Rs.)

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2018				
Liabilities				
Trade payables	8,09,52,831	8,09,52,831	-	8,09,52,831
Other financials liabilities	50,95,28,640	15,59,25,853	35,36,02,787	50,95,28,640
Assets				
Trade Receivables	1,20,93,599	1,20,93,599	-	1,20,93,599
Investment	3,01,12,66,330	17,97,81,443	2,83,14,84,887	3,01,12,66,330
Cash and Cash equivalents	70,48,484	70,48,484	-	70,48,484
Bank balances other than cash and cash equivalents	5,00,000	5,00,000	-	5,00,000
Deposits	36,78,23,514	-	36,78,23,514	36,78,23,514
Other receivables	45,15,975	45,15,975	-	45,15,975
As at March 31, 2017				
Liabilities				
Trade payables	5,46,17,662	5,46,17,662	-	5,46,17,662
Other financials liabilities	74,62,20,831	23,84,80,791	50,77,40,040	74,62,20,831
Assets				
Trade Receivables	80,22,704	80,22,704	-	80,22,704
Investment	84,21,60,633	2,63,18,801	81,58,41,832	84,21,60,633
Cash and Cash equivalents	3,99,11,588	3,99,11,588	-	3,99,11,588
Bank balances other than cash and cash equivalents	41,24,00,000	41,24,00,000	-	41,24,00,000
Deposits	16,48,98,281	-	16,48,98,281	16,48,98,281
Other receivables	1,02,79,288	1,02,79,288	-	1,02,79,288
As at April 01, 2016				
Liabilities				
Trade payables	9,41,37,408	9,41,37,408	-	9,41,37,408
Other financials liabilities	70,96,21,411	24,64,80,787	46,31,40,624	70,96,21,411
Assets				
Trade Receivables	1,89,41,566	1,89,41,566	-	1,89,41,566
Investment	62,49,23,651	4,70,73,651	57,78,50,000	62,49,23,651
Cash and Cash equivalents	1,00,38,520	1,00,38,520	-	1,00,38,520
Bank balances other than cash and cash equivalents	69,23,85,702	69,23,85,702	-	69,23,85,702
Deposits	4,39,73,645	-	4,39,73,645	4,39,73,645
Other receivables	3,29,74,543	3,29,74,543	-	3,29,74,543

Market risk

The Company's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, liquidity and similar factors, as a significant portion of our revenue depends, either directly or indirectly, on trading, listing, clearing and settlement transaction-based fees.

The Company's financial condition and results of operations are also dependent upon the success of our clearing, settlement and other issuer services, which, in turn, are directly dependent on the liquidity and financial strength of our customers, namely financial intermediaries such as brokers, and their respective clients.

Regulatory risk

The Company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of it's components. For example, the Company have licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange and trading in government securities. Some of these approvals are required to be renewed from time to time. The Company's operations are subject to continued review and the governing regulations may change. The Company's regulatory team constantly monitors the compliance with these rules and regulations.

There have been several changes to the form and manner in which recognised stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Group may have to contribute more of funds to the Settlement Guarantee Fund which could materially and adversely affect the Group's financial ability. The Group's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Company. The clearing and settlement operations are conducted through a wholly owned subsidiary Metropolitan Clearing Corporation Of India Limited (MCCI). MCCI guarantees the settlement of trade executed on Company's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

47 **Taxes**

a) **Income Tax Expenses**

The major components of income tax expenses for the year ended March 31, 2018

Profit or loss section

Particulars	2017-18	2016-17
Current tax expense	-	-
Current tax expense of earlier years	-	-
Deferred tax	-	-
Total income tax expense recognised in profit or loss	-	-

Other comprehensive income section

Particulars	2017-18	2016-17
Re-measurements of the defined benefit plans;	-	-
Total income tax expense recognised in Other comprehensive income	-	-

b) **Reconciliation of effective tax rate**

Particulars	2017-18	2016-17
a) Income before income tax	(55,63,55,149)	(34,22,47,029)
b) Enacted tax rate in India	34.608%	34.608%
c) Expected tax expenses (a*b)	-	-
d) Other than temporary differences		
Investment income	-	-
Expenses disallowed / (allowed)	-	-
Total	**-**	**-**
e) Temporary difference on which deferred tax assets not recognised		
Business loss and Unabsorbed depreciation carried forward	4,64,66,21,359	4,36,64,17,598
Total	**4,64,66,21,359**	**4,36,64,17,598**
f) **Net adjustments (d+e)**	4,64,66,21,359	4,36,64,17,598
g) **Current tax expense of earlier years**		
h) **Tax expenses recognised in Profit or Loss (c+f+g)**	-	-

In the absence of reasonable certainty, deferred tax assets on account of unabsorbed depreciation and brought forward losses has not been recognized.

48 **Expenditure in foreign currency** (Amount in Rs.)

Particulars	2017-18	2016-17
Membership	-	-
Repair, Maintenance & Sponsorship	33,70,014	23,54,410

49 Securities and Exchange Board of India's (SEBI) letter dated December 26, 2013 requires the Company to transfer 25% of its profit of every year to the Settlement Guarantee Fund (SGF) of the recognised clearing corporation(s) which clears and settle trades executed on that exchange in accordance with clause 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2012. The company has in earlier year allocated its existing contribution to SGF of Metropolitan Clearing Corporation Of India Ltd. (Formerly known as MCX-SX Clearing Corporation Ltd) to different segments as against the amount transferable under regulation 33, as permissible in terms of SEBI circular no. CIR/MRD/DMNRP/25/2014 dated August 27, 2014. The company has informed the same to SEBI vide its letter dated November 28, 2014. In Current year the company has not contributed towards the Core Settlement Guarantee Fund in absence of profit.

50 Balances grouped under Non-Current and Current Liabilities and Non-Current and Current Assets in certain cases are subject to confirmation and reconciliation from respective parties. Impact of the same, if any, shall be accounted as and when determined.

51 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

52 **First time adoption of Ind AS**

These are the Company's first financial statement prepare in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements as of and for the year ended March 31, 2017 in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A **Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 **Ind AS optional exemptions**

A.1.1 **Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and Investment Property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.2 **Investment in Subsidiaries, Associate and Joint Venture**

Ind AS 101 permits a first time adopter to measure it's investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be it's fair value at the Company's date of transition to Ind AS, or previous GAAP carrying amount at that date.

The Company has elected to measure its investment in subsidiaries, associate and joint venture at the previous GAAP carrying amount as its deemed cost on the transition date.

A.1.3 **Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistence with estimates made in for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were errors.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in mutual funds carried at FVTPL:

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, classification and measurement of investments has been based on the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliations

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

A. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017
B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017
C. Reconciliation of Statement of Statement of Cash flow for the year ended 31st March, 2017

A: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (31 March 2017 and 1 April, 2016) (Amount in Rs.)

Particulars	Notes to first-time adoption	As at 31 March 2017 Comparative financials			As at 1 April 2016 Date of Transition		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
ASSETS							
1 Non-Current Assets							
(a) Property, plant and equipment		11,45,69,956	-	11,45,69,956	17,09,29,759	-	17,09,29,759
(b) Intangible assets		52,05,38,600	-	52,05,38,600	52,26,58,418	-	52,26,58,418
(c) Intangible asset under development		1,88,85,749	-	1,88,85,749	50,00,000	-	50,00,000
(d) Financial assets							
i. Investments							
a. Investment in subsidiaries		81,58,41,832	-	81,58,41,832	57,78,50,000	-	57,78,50,000
ii. Other Financial Assets	2	17,22,07,655	(73,09,374)	16,48,98,281	5,21,36,977	(81,63,332)	4,39,73,645
(e) Income tax assets (net)		16,61,27,414	-	16,61,27,414	13,31,59,177	-	13,31,59,177
(f) Other non-current assets		36,25,18,282	-	36,25,18,282	36,54,02,665	-	36,54,02,665
2 Current Assets							
(a) Financial assets							
i. Investments	1	2,61,79,400	1,39,402	2,63,18,801	4,65,14,562	5,59,089	4,70,73,651
ii. Trade receivables		80,22,704	-	80,22,704	1,89,41,566	-	1,89,41,566
iii.Cash and cash equivalents		3,99,11,588	-	3,99,11,588	1,00,38,520	-	1,00,38,520
iv. Bank balance other than (iii) above		41,24,00,000	-	41,24,00,000	69,23,85,702	-	69,23,85,702
v. Other financial assets		1,02,79,288	-	1,02,79,288	3,29,74,543	-	3,29,74,543
(b) Current tax assets (Net)		2,74,87,723	-	2,74,87,723	12,04,58,193	-	12,04,58,193
(c) Other assets		1,65,50,032	-	1,65,50,032	21,63,31,558	-	21,63,31,558
Total		**2,71,15,20,224**	**(71,69,972)**	**2,70,43,50,252**	**2,96,47,81,639**	**(76,04,242)**	**2,95,71,77,397**
EQUITY AND LIABILITIES							
3 Equity							
(a) Share capital		2,45,95,56,243	-	2,45,95,56,243	1,94,16,76,830	-	1,94,16,76,830
(b) Other Equity		(62,91,20,963)	(92,14,532)	(63,83,35,495)	12,44,71,994	(76,04,242)	11,68,67,752
Total Equity		**1,83,04,35,280**	**(92,14,532)**	**1,82,12,20,748**	**2,06,61,48,824**	**(76,04,242)**	**2,05,85,44,582**
Liability							
4 Non-Current Liabilities							
(a) Financial Liabilities							
i. Other Financial Liabilities		50,77,40,040	-	50,77,40,040	46,31,40,624	-	46,31,40,624
(b) Short term provisions		32,32,671	-	32,32,671	47,42,983	-	47,42,983
Total Non-Current Liabilities		**51,09,72,711**	**-**	**51,09,72,711**	**46,78,83,607**	**-**	**46,78,83,607**
5 Current Liabilities							
(a) Financial liabilities							
i. Borrowing		-	-	-	5,02,07,650	-	5,02,07,650
ii. Trade payables							
a. Total outstanding dues of micro, small and medium enterprises		-	-	-	-	-	-
b. Total outstanding dues to creditors other than micro, small and medium enterprises		5,46,17,662	-	5,46,17,662	9,41,37,408	-	9,41,37,408
iii. Other financial liabilities		23,84,80,791	-	23,84,80,791	24,64,80,787	-	24,64,80,787
(b) Other current liabilities	2	7,42,83,344	20,44,560	7,63,27,904	3,88,60,568	-	3,88,60,568
(c) Short term provisions		27,30,436	-	27,30,436	10,62,795	-	10,62,795
Total		**2,71,15,20,224**	**(71,69,972)**	**2,70,43,50,252**	**2,96,47,81,639**	**(76,04,242)**	**2,95,71,77,397**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

B: Reconciliation of total comprehensive income for the year March 31, 2017

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Income				
(a) Revenue from operations		21,28,72,662	-	21,28,72,662
(b) Other income	1,2	11,44,95,099	4,34,270	11,49,29,369
Total Revenue		**32,73,67,761**	**4,34,270**	**32,78,02,031**
Expenditure				
(a) Operating expenses		19,41,69,511	-	19,41,69,511
(b) Employee benefits expense	3	14,74,96,324	(4,69,840)	14,70,26,484
(c) Finance costs		29,66,616	-	29,66,616
(d) Advertisement and Business Promotion Expenses		4,05,29,766	-	4,05,29,766
(e) Depreciation and amortisation expense		13,92,67,765	-	13,92,67,765
(f) Other expenses	2	14,40,44,359	20,44,560	14,60,88,919
Total Expenses		**66,84,74,341**	**15,74,720**	**67,00,49,061**
Profit / (Loss) before tax		(34,11,06,580)	(11,40,450)	(34,22,47,030)
Less : Provision for taxation		-	-	-
Profit / (Loss) for the year		(34,11,06,580)	(11,40,450)	(34,22,47,030)
Other comprehensive income / (Expenses)	3	-	(4,69,840)	(4,69,840)
Total comprehensive income		(34,11,06,580)	(16,10,290)	(34,27,16,870)

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes to first-time adoption	as at 31 March 2017	as at 1 April 2016
Total equity (shareholder's fund) as per previous GAAP		1,83,04,35,281	2,06,61,48,824
Adjustments:			
Fair valuation of investments through profit and loss account	1	1,39,402	5,59,089
Lease equilisation	2	(20,44,560)	-
Fair valuation of Deposits	2	(81,63,332)	(81,63,332)
Income recognition on interest free deposit	2	8,53,958	-
Total adjustments		(92,14,532)	(76,04,242)
Total equity as per Ind AS		1,82,12,20,749	2,05,85,44,582

Reconciliation of total comprehensive income

Particulars		Notes to first-time adoption	2016 - 2017
Profit after tax as per previous GAAP			**(34,11,06,580)**
Adjustments:			
Fair valuation of Investments through profit and loss account		1	(4,19,688)
Lease equilisation		2	(20,44,560)
Re-measurement of Employees Benefits		3	4,69,840
Income recognition on interest free deposit		2	8,53,958
Total adjustments			(11,40,450)
Profit after tax as per Ind AS			(34,22,47,030)
Total Other Comprehensive Income, net of tax		3	(4,69,840)
Total Comprehensive Income as per Ind AS			(34,27,16,870)

Note 1: Investments in Mutual Funds

Under the previous GAAP, investments in mutual funds were classified as current investments based on the intended holding period and reliability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in other equity as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs 1,39,402.

Note 2: Fair valuation of Lease Rent and Deposit

"Under Previous GAAP, the rent paid to a office lease service provider for office space, has been charged to profit and loss accounts in the year in which it is contractually payable. Under Ind AS, such charges paid have been recognized on a straight line basis over the contractual term. As a result of this change, the profit for the year ended March 31, 2017 decreased by Rs 20,44,560.

Deposit for lease of office premises, fair valued using discounting and unwinding of discounting recorded as finance income."

Note 3: Re-measurement of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs 4,69,840.

As per our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Pramod Tilwani
Partner
Membership No.76650

Dinesh Kumar Mehrotra
Chairman
DIN : 00142711

Udai Kumar
Managing Director & Chief Executive Officer
DIN : 06750460

Mumbai
Dated : May 10, 2018

Kunal Sanghavi
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF CONSOLIDATED FINANCIAL RESULTS

The Board of Directors Of
Metropolitan Stock exchange of India Limited
4th floor, Vibgyor Tower, Opposite Trident Hotel
Bandra-Kurla Complex, Mumbai 400 098

1. We have audited the accompanying Statement containing the annual audited Consolidated Financial Results of **Metropolitan Stock Exchange of India Limited ("the Holding Company")** and its subsidiaries (the Holding Company and its subsidiaries together referred to as the **"Group"**) for the year ended March 31, 2018 together with the notes thereon (hereinafter referred to as the "Statement").

2. **Management's Responsibility for the Consolidated financial results**

   Management of the Holding Company is responsible for the preparation of the accompanying Statement. The Management is also responsible for the preparation of the annual statutory consolidated financial statements in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "Act") (the "accounting principles generally accepted in India"), basis which the above Statement containing the annual audited consolidated financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

3. **Auditor's Responsibility**

   Our responsibility is to express an opinion on the Statement based on our audit of the annual consolidated financial statements as at and for the year ended 31st March, 2018.

   We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Statement.

4. **Basis of qualification**

   (i) The Holding Company continues to prepare its Financial Statements on going concern basis, even though it has continued to incur significant losses during the current period, business volumes is also reduced and there is no clarity on increase in volume/revenue. The company has however raised the required funds to meet its regulatory net worth requirements and is working on a 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 detailed impairment testing to ascertain carrying value of fixed assets, etc. The management has also considered the GST Credit available amounting to Rs. 40.81 Crores and MAT Credit Entitlement amounting to Rs.1.86 Crores as recoverable, basis the same. We are unable to comment on the same and the adjustments, if any, that will be arising out of the same.

   (ii) The Holding 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.

5. **Qualified Opinion**

   In our opinion and to the best of our information and according to the explanations given to us;

   (i) the statement, together with the notes thereon are presented in the format prescribed under Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in this regard; and

   (ii) except for the matter described in para 4 above, the annual audited consolidated financial results for the year ended March 31st, 2018 as set out in the Statement gives a true and fair view of the total consolidated comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), and other financial information of the Group for the year ended March 31st, 2018 in accordance with the accounting principles generally accepted in India.

6. **Other Matter**

   (i) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 38,831.98 Lakh as at March 31, 2018, total revenue from operations of Rs. 1,492.03 Lakh, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. 89.06 Lakh and net cash inflow amounting to Rs. 19.10 Lakh for the year ended on that date, as considered in the consolidated Ind AS financial statements of the Group. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

   (ii) The Statement dealt with by this report has been prepared for the express purpose of complying with Regulation 35 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012 (the "SECC Regulations") read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"). This Statement is based on and should be read with the audited financial statements of the Company for the year ended March 31, 2018 on which we issued a **modified** audit opinion vide our report dated May 10, 2018.

7. **Restriction of Use**

   This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 6(ii) above. This report should not be otherwise used by any other party for any other purpose.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Regn. No: 006711N/N500028

Pramod Tilwani
Partner
Membership No. 076650

Place: Mumbai
Date: 10th May 2018

BALANCE SHEET AS AT — MARCH 31, 2018

(Amount in Rs.)

		Particulars	Note	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
I		**ASSETS**							
	1	**Non-Current Assets**							
	(a)	Property, plant and equipment	3	8,71,79,772		11,47,52,049		17,12,53,639	
	(b)	Intangible assets	4	47,87,64,949		52,05,66,794		52,30,07,028	
	(c)	Intangible assets under development	4	1,78,75,973		1,88,85,749		50,00,000	
	(d)	Financial assets							
		i. Other financial assets	5	2,53,55,42,954		1,56,73,43,934		1,16,92,39,428	
	(e)	Income tax assets (net)	6	15,36,12,375		22,82,15,919		22,60,58,093	
	(f)	Other non-current assets	7	38,09,87,594		36,25,18,282		36,54,02,665	
	(g)	Deferred tax assets/ (liability) (Net)	8	1,45,231	3,65,41,08,848	-	2,81,22,82,727	-	2,45,99,60,853
	2	**Current Assets**							
	(a)	Financial assets							
		i. Investments	9	41,70,42,666		17,27,84,334		36,81,26,353	
		ii. Trade receivables	10	57,61,302		60,63,655		33,11,902	
		iii. Cash and cash equivalents	11	1,50,05,683		4,59,58,958		1,50,45,661	
		iv. Bank balance other than (iii) above	12	1,37,93,85,112		41,24,00,000		69,23,85,702	
		v. Other financial assets	13	45,16,239		6,66,19,818		6,98,23,886	
	(b)	Current tax assets (Net)	14	10,37,94,889		2,74,87,723		12,04,58,193	
	(c)	Other current assets	15	8,69,66,263	2,01,24,72,154	8,17,07,837	81,30,22,325	24,73,85,120	1,51,65,36,817
		Total			**5,66,65,81,002**		**3,62,53,05,052**		**3,97,64,97,670**
II		**EQUITY AND LIABILITIES**							
	3	**Equity**							
		(a) Share capital	16	4,77,73,90,612		2,45,95,56,243		1,94,16,76,830	
		(b) Other equity	16	(70,93,53,960)		(57,82,49,071)		16,05,84,537	
		Total Equity			**4,06,80,36,652**		**1,88,13,07,172**		**2,10,22,61,367**
		Non Controlling Interest			12,57,36,498		13,15,25,301		13,17,73,239
		Core Settlement Guarantee Fund	17		10,41,35,084		10,41,35,084		10,41,35,084
		Liability							
	4	**Non-Current Liabilities**							
	(a)	Financial liabilities							
		i. Other financial liabilities	18	69,73,94,660		69,57,19,213		72,17,43,413	
	(b)	Provisions	19	26,80,749		44,26,505		54,29,530	
		Total Non-Current Liabilities			**70,00,75,409**		**70,01,45,718**		**72,71,72,943**
	5	**Current Liabilities**							
	(a)	Financial liabilities							
		i. Borrowing	20	-		-		-	5,02,07,650
		ii. Trade payables							
		a. Total outstanding dues of micro, small and medium enterprises							
		b. Total outstanding dues to creditors other than micro, small and medium enterprises	21	8,15,52,615		5,51,77,092		9,43,36,479	
		iii. Other financial liabilities	22	54,47,48,403		70,67,37,913		72,27,85,631	
	(b)	Other current liabilities	23	4,00,32,379		4,29,06,331		4,26,64,040	
	(c)	Provisions	24	22,63,962	66,85,97,359	33,70,441	80,81,91,777	11,61,237	86,09,47,387
		Total			**5,66,65,81,002**		**3,62,53,05,052**		**3,97,64,97,670**

Significant Accounting Policies and Explanatory Information forming part of the financial statements — 2-50

As per our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

Pramod Tilwani
Partner
Membership No.76650

Mumbai
Dated : May 10, 2018

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Dinesh Kumar Mehrotra
Chairman
DIN : 00142711

Udai Kumar
Managing Director & Chief Executive Officer
DIN : 06750460

Kunal Sanghavi
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in Rs.)

			Particulars	Note	For the Year 2017-18	For the Year 2016-17
I	**Income**					
	(a)	Revenue from operations		25	8,49,28,346	17,05,69,700
	(b)	Other income		26	19,78,77,670	19,32,67,164
		Total Income			**28,28,06,016**	**36,38,36,864**
II	**Expenditure**					
	(a)	Operating expenses		27	20,80,30,719	18,21,31,388
	(b)	Employee benefits expense		28	19,94,72,352	16,88,14,245
	(c)	Finance costs		29	-	29,66,616
	(d)	Advertisement and business promotion expenses		30	8,03,74,928	4,05,29,766
	(e)	Depreciation and amortisation expense		3 & 4	14,57,17,545	13,94,89,170
	(f)	Other expenses		31	19,68,40,933	15,57,30,609
		Total Expenses			**83,04,36,477**	**68,96,61,794**
III	**Profit / (Loss) before tax**				**(54,76,30,461)**	**(32,58,24,930)**
IV	**Exceptional items**					
V	**Profit / (Loss) before tax**				**(54,76,30,461)**	**(32,58,24,930)**
IV	**Less : Current tax**				-	-
	Less : Deferred tax				(1,45,231)	-
V	**Profit / (Loss) for the year**				(54,74,85,230)	(32,58,24,930)
VI	**Less : Minority Interest in income / (loss)**				3,67,864	21,05,314
VII	**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)			17,51,589	(7,70,241)
	Total other Comprehensive Income for the year, net of tax				17,51,589	(7,70,241)
	Total Comprehensive Income for the year				(54,61,01,505)	(32,87,00,485)
VIII	**Earnings per equity share of face value of Re.1 each**					
	Basic (in Re.)				(0.15)	(0.15)
	Diluted (in Re.)				(0.15)	(0.15)

Significant Accounting Policies and Explanatory Information forming part of the financial statements — 2-50

As per our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

Pramod Tilwani
Partner
Membership No.76650

Mumbai
Dated : May 10, 2018

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Dinesh Kumar Mehrotra
Chairman
DIN : 00142711

Udai Kumar
Managing Director & Chief Executive Officer
DIN : 06750460

Kunal Sanghavi
Chief Financial Officer

STATEMENT OF CASH FLOWS THE YEAR ENDED MARCH 31, 2018

(Amount in Rs.)

Particulars	For the year 2017-18		For the year 2016-17	
A. Cash flow from Operating Activities				
Net Profit / (Loss) before tax as per Statement of Profit and Loss		(54,58,78,872)		(32,65,95,170)
Adjustments for				
Depreciation/Amortisation	14,57,17,545		13,94,89,170	
Net fair value gain/loss on financial assets measured at fair value through profit and loss	(94,06,937)		(1,39,402)	
Dividend from Investments	(91,10,083)		(2,44,35,831)	
Net Prior Year Adjustments			15,64,323	
Interest Income	(15,83,17,695)		(10,22,39,816)	
Finance Costs			29,66,616	
Loss on sale of Fixed Asset (net)			4,89,143	
Provision for doubtful debts	16,17,628		4,40,298	
Profit on sale of investments (net)	(95,50,860)		(39,30,544)	
Depletion in value of investments	-	(3,90,50,402)	-	1,42,03,957
Operating profit/ (loss) before working capital changes		**(58,49,29,274)**		**(31,23,91,213)**
Adjustments for				
Trade and other receivables	(2,80,86,468)		3,12,52,143	
Trade and other payables	(13,96,65,571)	(16,77,52,039)	(7,97,82,833)	(4,85,30,690)
Cash generated from/(used in) operations		(75,26,81,313)		(36,09,21,903)
Net Prior Year Adjustments				(15,64,323)
Less:(Taxes paid) / refund received		(17,03,622)		9,91,03,374
Net cash generated from/(used in) operating activities		**(75,43,84,935)**		**(26,33,82,852)**
B. Cash flow from Investing Activities				
Purchase of Fixed Assets (including Capital Work In Progress)		(7,53,39,166)		(9,63,75,204)
Sale of Fixed Assets (net)		5,518		14,52,967
Purchase of current investments		(1,43,28,06,328)		(30,54,00,000)
Sale of current investments		1,18,85,47,995		50,03,02,282
Income from Current Investments		1,89,57,797		45,09,683
Fixed deposit placed with banks		(4,64,64,06,275)		(63,44,04,368)
Fixed deposit matured		2,71,42,15,934		49,15,58,015
Dividend from investment		91,10,083		2,44,35,831
Interest received (net of accrued interest)		22,04,70,939		10,52,58,102
Net cash generated from/(used in) Investing Activities		**(2,00,32,43,503)**		**9,13,37,308**
C. Cash flow from Financing Activities				
Finance Costs				(29,66,616)
Share application money received/ (refunded)		(34,01,760)		34,31,295
Short term borrowings				(5,02,07,650)
Proceeds from issuance of shares		2,31,78,34,370		25,26,87,193
Issue of Shares to Employees by ESOP trust from Loan shares		—		14,620
Receipt/(Distribution) from/to Minority Shareholders				
Security premium collected		41,22,42,553		-
Net Cash Generated from Financing Activities		**2,72,66,75,163**		**20,29,58,842**
Net Increase in Cash and Cash Equivalents		**(3,09,53,276)**		**3,09,13,298**
Cash and Cash Equivalents at Beginning of the Year (Refer note 11)		4,59,58,958		1,50,45,661
Cash and Cash Equivalents at End of the Year (Refer note 11)		1,50,05,683		4,59,58,958
Add : Fixed Deposits held for more than three months		1,37,93,85,112		41,24,00,000
Closing Cash and Bank Balance as per Note 11 & 12		**1,39,43,90,795**		**45,83,58,958**

Significant Accounting Policies and Explanatory Information forming part of the financial statements

1. The Cash Flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7 (Ind AS 7)" Statement of Cash Flows" prescribed under Companies Act, 2013.
2. Figures in brackets represent cash outflows.

As per our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

Pramod Tilwani
Partner
Membership No.76650

Mumbai
Dated : May 10, 2018

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Dinesh Kumar Mehrotra
Chairman
DIN : 00142711

Udai Kumar
Managing Director & Chief Executive Officer
DIN : 06750460

Kunal Sanghavi
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH '18

(Amount in Rs.)

A. Equity Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares at the beginning of the year	2,46,45,33,914	2,46,45,33,914	1,94,66,69,121	1,94,66,69,121	1,16,34,13,045	1,16,34,13,045
Add:-Shares issued during the year	2,31,78,34,370	2,31,78,34,370	51,78,64,793	51,78,64,793	78,32,56,076	78,32,56,076
Equity shares at the end of the year	4,78,23,68,284	4,78,23,68,284	2,46,45,33,914	2,46,45,33,914	1,94,66,69,121	1,94,66,69,121

B. Other Equity

Particulars	Reserves & surplus				Other comprehensive income	Total
	Securities premium account	Retained earnings	Non Refundable Interest Free Deposits Against Warrants	Warrant application money pending allotment	Remeasurement of employees benefit	
As at 1 April 2016	**3,51,56,66,074**	**(3,77,10,14,209)**	**41,59,32,672**	**-**	**-**	**16,05,84,537**
Application money received	-	-	-	34,31,295	-	34,31,295
Allotment during the year	-	-	(26,51,77,600)	-	-	(26,51,77,600)
Refunded	-	-	(15,07,40,072)	-	-	(15,07,40,072)
Addition	-	-	-	-	(7,70,241)	(7,70,241)
Minority Interest Reallocation	-	23,53,254	-	-	-	23,53,254
Profit for the year	-	(32,79,30,244)	-	-	-	(32,79,30,244)
As at 31 March 2017 / 1 April 2017	**3,51,56,66,074**	**(4,09,65,91,199)**	**15,000**	**34,31,295**	**(7,70,241)**	**(57,82,49,072)**
Add : Addition on share issued	47,71,15,243	-	-	-	-	47,71,15,243
Less : Share Issue Expenses	(6,48,72,690)	-	-	-	-	(6,48,72,690)
Application money received	-	-	-	-	-	-
Allotment during the year	-	-	-	(34,01,760)	-	(34,01,760)
Addition	-	-	-	-	17,51,589	17,51,590
Minority Interest Reallocation	-	61,55,823	-	-	-	61,55,823
Profit for the year	-	(54,78,53,094)	-	-	-	(54,78,53,094)
As at 31 March 2018	**3,92,79,08,627**	**(4,63,82,88,470)**	**15,000**	**29,535**	**9,81,348**	**(70,93,53,960)**

As per our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

Pramod Tilwani
Partner
Membership No.76650

Mumbai
Dated : May 10, 2018

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Dinesh Kumar Mehrotra
Chairman
DIN : 00142711

Udai Kumar
Managing Director & Chief Executive Officer
DIN : 06750460

Kunal Sanghavi
Chief Financial Officer

Significant Accounting Policies forming part of the financial statement for the year ended 31st March, 2018

1 **Corporate Information**

The Metropolitan Stock Exchange of India Limited (MSEI or the Parent Company) was incorporated on August 14, 2008 and recognized as a stock exchange by Securities and Exchange Board of India (SEBI) under section 4 of the Securities Contracts (Regulation) Act, 1956 with effect from September 16, 2008. The Exchange was notified a "Recognised Stock Exchange" under Section 2(39) of the Companies Act, 1956 by Ministry of Corporate Affairs, Govt. of India, on December 21, 2012. MSEI provide platform for trading in Currency Derivatives, Debt Segment, Interest Rate Futures, Equity Cash and F& O segment.

The Consolidated financials statement relates to parents and its subsidiary companies (collectively refered to as "the Group")

2 **Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ("financial statements"). These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 **Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical-cost convention on accrual basis, except as disclosed in the accouting policies below, in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), provision of the Companies Act, 2013 and Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The accounting policies adopted in the preparation of the financial statements are consistent.

The financial statements up to year ended 31 March 2017 were prepared in accordance with Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value, and
- defined benefit plans - plan assets measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Basis of Consolidation

The Company consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries ("the Group"). Control exists when the Parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

a) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
b) potential voting rights held by the Company, other vote holders or other parties;
c) rights arising from other contractual arrangements; and
d) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Profit or Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable.

Particulars	Country of Incorporation	% of Voting Power As at March 31, 2018	% of Voting Power As at March 31, 2017	% of Voting Power As at April 1, 2016
Subsidiary Company - Direct				
Metropolitan Clearing Corporation India Limited	India	95.85	86.94	82.50
MCX-SX KYC Registration Agency Limited	India	100	100	100

2.2 **Operating Cycle**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Statement of Compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as “Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017. Previous year numbers in the financial statements have been restated to Ind AS. These financial statements are the first financial statements of the company which have been prepared in accordance with Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS in respect of Shareholders' equity as at March 31, 2017 and April 1, 2016 and of the comprehensive income for the year ended March 31, 2017 and of the cash flows for the year ended March 31, 2017.

2.4 Foreign currency translation and transactions

i) Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at year end rates. Non-monetary foreign currency items are carried at cost.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit & Loss of the year.

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The company recognises revenue, when the amount of revenue can be reliably measured, when it is probable that future economic benefit will flow to the company and when the no significant uncertainty as to it collectability exists, as described below:

Transaction fees are charged to members at the applicable rates based on the volume of transactions entered into by the members through the exchange. These are accrued when orders placed by members on the exchange are matched and confirmed.

Admission fees collected from new members for joining the exchange are recognized when received and membership approved by SEBI.

Processing and other fees collected from members are recognized for which services are performed.

Connectivity Income are apportioned over the period of connectivity on a pro rata basis from the date of activation of connectivity.

Dividend income is recognized when the company's right to receive dividend is established.

Interest income is recognized on time proportion basis into account the amount outstanding and the rates applicable. For all other financial assets measured at amortised cost interest income is recorded using the Effective Interest Rate (EIR).

Income from Annual Listing Fees is recognized on time proportion basis.

Revenue from Shared Service recognised based on the time proportion basis.

Revenue from data feed charges based on the time proportion basis.

2.6 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. Income tax expense is recognised in the Profit or Loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are to be apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised only to the extent that there is a probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In accordance with the recommendations contained in Guidance Notes issued by the institute of chartered accountants of India and in accordance with the provision of Income Tax Act, 1961, Minimum Alternate Tax ('MAT') credit is recognised as an asset to the extent there is convincing evidence that the company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

2.7 Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.8 Property, plant and equipment

Property, plant and equipment are measured at cost of acquisition net of recoverable taxes less accumulated depreciation and impairment loss, if any. Cost includes expenses that is directly attributable to acquisition of the assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for their intended use before such date are shown as Capital Work in Progress.

Depreciation on property, plant and equipment is provided on straight line method over the useful lives as specified in Part 'C” of Schedule II to the Companies

Act, 2013, which is also estimated as useful lives by the management. The same is as given below:-

Sr. No	Classification of an asset	Useful life
1	Furniture and fixtures	10
2	Office Equipment's	5
3	Vehicles	8
4	Computer Hardware	
	(i) Computer Servers	6
	(ii) Networking Equipment's	6
	(iii) Desktop/Laptop etc.	3

Leasehold improvements are depreciated over the period of lease or at their estimated useful life, whichever is lower.

The Company provides pro-rata depreciation from the day the asset is ready to use and for any asset sold, till the date of sale.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. With the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets and Amortization

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any.

Intangible assets comprising of software purchased and licensing cost are amortized on straight line basis over the useful life of the software up to a maximum period of 10 years.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation methods, useful lives and residual values are reviewed at each reporting date. With the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets under development

Intangible Assets under development comprises outstanding advances paid to acquire intangible assets and the cost of intangible assets that are not yet ready for its intended use.

2.9 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the lower of the present value of expected net cost of fulfilling the contract and the present value of expected cost of terminating the contract.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably, is not recognised in the books of accounts but its existence is disclosed in the Financial Statements. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized but disclosed in the financial statements when economic inflow is probable.

2.11 Fair Value Measurement

The company measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the company

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.12 Financial instrument

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets:

Initial recognition and measurement:

The company measures its financial assets at fair value. In this context, quoted investments are fair valued adopting the techniques defined in Level 1 of fair value hierarchy of Ind-AS 113 “Fair Value Measurement” and unquoted investments, where the observable input is not readily available, are fair valued adopting the techniques defined in Level 3 of fair value hierarchy of Ind-AS 113 and securing the valuation report from the certified valuer. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost

ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

(a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

(a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to Investments in Equity and Convertible Warrants. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI.

However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss.

However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Equity Investments (in subsidiaries, associates and joint venture)

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

Transition to Ind AS

Upon first-time adoption of Ind AS, the Company has elected to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., 1st April, 2016.

De-recognition

Financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

(a) The company has transferred substantially all the risks and rewards of the asset, or

(b) The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

On De-recognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measure at fair value through profit and loss (FVTPL)

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(b) Financial Liabilities:

Initial recognition and measurement

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are initially measured at Fair value.

Subsequent measurement

All non-current financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss..

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.13 Employee benefits

Short Term Obligation

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period at the undiscounted in the Statement of Profit & Loss and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other Long-Term employees benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss. The liability for earned leave is also classified as current where it is expected to be availed/ encashed during the next 12 months. The remaining portion is classified as non-current. The amounts of current and non-current liability are based on actuarial estimates.

Post-employment obligations

Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

The Company operates following post-employment schemes:

(a) defined benefit plans such as gratuity

(b) defined contribution plans such as provident fund

Defined Benefit Plans - Gratuity Obligation

The Company has maintained a Gratuity Scheme with the MCX Gratuity Trust. Trustees administer contributions made to the Trusts and contribution are invested in insurance company in the form of qualifying insurance policy. Company is contributing a sum determined by insurance company annually. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined Contribution Plans - Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share based compensation

Company has an Employee Stock Option Scheme ('the Scheme') which provides the grant of options to acquire equity shares of the Company to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

The Company recognizes compensation relating to share-based payments in net profit using fair value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

2.14 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

2.15 Cash & Cash Equivalents

Cash and cash equivalent in the balance sheet comprises cash on hand and at bank and demand deposits with banks with an original maturity of three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

2.16 Key Accounting Estimates and Judgement

As per Ind AS the accounting policy should also disclose the significant estimates and critical judgement used in preparation of financial statement. The same can be done based on following lines:

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Minimum Alternate Tax

Minimum Alternate Tax (“MAT”) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The management estimate the Company to pay normal tax and benefit associated with MAT will flow to the Company within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.

Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of Non-financial assets

The impairment provisions for Non-financial assets are based on assumptions about recoverability. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Going Concern Assumption

Going concern assumption has been applied on the basis that the company will able to continue its operation in the foreseeable future, and without there being any intention or necessity for it to either liquidate or curtail materially its scale of business operations.

2.17 Accounting standards issued but not yet effective

Ind AS 115 'Revenue from contracts with customers' have been published by Ministry of Corporate Affairs (MCA) but are not yet effective. Ind AS 115 establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contract with customers. Ind AS 115 supersedes other revenue standards i.e. Ind AS 11 and Ind AS 18 notified by MCA. Management has undertaken an assessment of the impact of this standard and does not believe that the impact would be material.

3 Property, Plant and Equipment *(Amount in Rs.)*

Particulars	Office Equipments	Computer Hardware	Furniture & Fixtures	Vehicles	Leasehold Improvements	Total
Deemed Cost or Gross Carrying Amount						
Cost as at 01.04.2016	1,87,64,665	35,69,13,109	50,45,782	51,75,165	1,18,00,000	39,76,98,720
Addition	13,03,934	1,78,243	92,614	-	30,59,135	46,33,926
Disposal	4,04,971	2,04,209	-	27,72,745	-	33,81,925
Gross Carrying amount as at 31.03.2017/01.04.2017	1,96,63,628	35,68,87,143	51,38,396	24,02,420	1,48,59,135	39,89,50,721
Addition	18,77,350	2,90,97,941	-	14,81,711	-	3,24,57,002
Disposal	31,39,867	2,73,027	-	-	-	34,12,894
Gross Carrying amount as at 31.03.2018	1,84,01,111	38,57,12,057	51,38,396	38,84,131	1,48,59,135	42,79,94,829
Accumulated Depreciation						
Accumulated Depreciation as at 01.04.2016	1,04,45,221	20,55,31,836	14,19,452	18,58,654	71,89,918	22,64,45,081
Depreciation charges during the year	41,17,300	5,16,59,640	5,11,808	4,48,638	27,40,468	5,94,77,855
Disposals	2,95,153	2,01,751	-	12,27,359	-	17,24,263
Accumulated Depreciation as at 31.03.2017/01.04.2017	1,42,67,368	25,69,89,725	19,31,260	10,79,933	99,30,386	28,41,98,672
Depreciation charges during the year	40,41,098	5,22,92,251	5,14,616	3,17,202	28,58,594	6,00,23,762
Disposals	31,34,349	2,73,028	-	-	-	34,07,377
Accumulated Depreciation as at 31.03.2018	1,51,74,117	30,90,08,948	24,45,877	13,97,135	1,27,88,981	34,08,15,057
Net Carrying amount as at 31.03.2018	32,26,994	7,67,03,109	26,92,519	24,86,995	20,70,154	8,71,79,772
Net Carrying amount as at 31.03.2017	53,96,260	9,98,97,418	32,07,135	13,22,486	49,28,749	11,47,52,049
Net Carrying amount as at 01.04.2016	83,19,444	15,13,81,273	36,26,330	33,16,511	46,10,082	17,12,53,639

4 Intangible Assets and Intangible Assets under development *(Amount in Rs.)*

Particulars	Computer Software**	Intangible asset under development	Total
Deemed Cost or Gross Carrying Amount			
Cost as at 01.04.2016	1,00,27,96,843	50,00,000	1,00,77,96,843
Addition	7,78,55,528	1,38,85,749	9,17,41,278
Disposal	5,04,712	-	5,04,712
Gross Carrying amount as at 31.03.2017/01.04.2017	1,08,01,47,660	1,88,85,749	1,09,90,33,409
Addition	4,38,91,939	4,17,06,674	8,55,98,613
Disposal	-	4,27,16,450	4,27,16,450
Gross Carrying amount as at 31.03.2018	1,12,40,39,599	1,78,75,973	1,14,19,15,572
Accumulated Depreciation	-	-	
Accumulated Depreciation as at 01.04.2016	47,97,89,815	-	47,97,89,815
Depreciation charges during the year	8,00,11,315	-	8,00,11,315
Disposals	2,20,264	-	2,20,264
Accumulated Depreciation as at 31.03.2017/01.04.2017	55,95,80,866	-	55,95,80,866
Depreciation charges during the year	8,56,93,783	-	8,56,93,783
Disposals	-	-	-
Accumulated Depreciation as at 31.03.2018	64,52,74,650	-	64,52,74,650
Net Carrying amount as at 31.03.2018	47,87,64,949	1,78,75,973	49,66,40,923
Net Carrying amount as at 31.03.2017	52,05,66,794	1,88,85,749	53,94,52,543
Net Carrying amount as at 01.04.2016	52,30,07,028	50,00,000	52,80,07,028

(Other than internally generated)

** In certain cases the company has only usage right and not the title or ownership amounting to Rs. 3,984.52 Lakhs (PY 2016-17 Rs. 4,515.08 Lakhs, PY 2016-17 Rs. 4,928.08 Lakhs)

5 **Other Financial Assets**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Non Current Bank Balance						
Deposit with banks (with Maturity more than 12 months) *		2,51,33,03,067		1,54,80,97,837		1,12,52,65,783
Others						
Sundry Deposits		2,22,39,887		1,92,46,097		4,39,73,645
Total		**2,53,55,42,954**		**1,56,73,43,934**		**1,16,92,39,428**

* Includes Rs.95,83,627/- (PY 2016-17 Rs.70,52,184/-, PY 2015-16 Rs.63,85,702/-) earmarked towards the Investor Service Fund.

6 **Income Tax Assets (Net)**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Advance income tax (net)		12,67,66,738		20,13,70,282		20,75,03,785
Interest paid under protest		82,91,330		82,91,330		-
MAT credit entitlements		1,85,54,307		1,85,54,307		1,85,54,308
Total		**15,36,12,375**		**22,82,15,919**		**22,60,58,093**

7 **Other Non-Current Assets**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good)						
Tax recoverable, statutory deposits and dues from government		37,92,78,493		35,13,88,313		36,30,89,340
Prepaid expenses		17,09,101		18,93,969		23,13,325
Capital advances		-		92,36,000		-
Total		**38,09,87,594**		**36,25,18,282**		**36,54,02,665**

8 **Deferred tax assets (Net)**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Expenses Disallowed		1,56,267		-		-
Depreciations		(11,036)		-		-
Total		**1,45,231**		**-**		**-**

9 **Current Investments**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Units	Rupees	Units	Rupees	Units	Rupees
In Mutual Funds						
Investments in mutual funds at FVTPL						
Reliance Liquididty Fund - Growth					4,396.493	1,00,40,023
Franklin India Treasury Management Account-Super Institutional Plan - Growth					9,687.564	2,19,55,811
SBI Premier Liquid Fund -Growth					2,115.750	50,37,511
HDFC Liquid Plan - Growth	56.440	1,93,251	8,201.770	2,63,19,102	3,357.740	1,00,40,307
HDFC Floating Rate Income-ST-WP-Direct (G)	17.620	535				
ICICI Prudential Money Market Fund - Direct Growth	41,707.940	1,00,29,257				
HDFC High Interest Fund - STP -Dir - Growth	7,69,398.270	2,73,68,266				
SBI Magnum Gilt Fund-Long Term-DP -Growth	13,10,879.540	5,10,63,739				
ICICI Prudential Saving Fund - DP Growth	3,37,074.210	9,11,26,395				
Axis Liquid Fund-Daily Dividend Reinvestment		-	20,761	2,07,74,693	56,284	5,63,20,397
Axis Liquid Fund - Growth	24,251	4,67,43,676		-		-
BOI AXA Liquid Fund -Daily Dividend Reinvestment	19,418	1,94,69,394	4,868	48,81,387	37,832	3,79,32,120
BOI AXA Liquid Fund -Growth	23,338	4,67,52,022		-		-
DHFL Pram. Insta Cash Plus Fund - Daily Dividend Reinvestment	36,769	36,88,027	67,265	67,46,974	3,52,933	3,56,26,831
Reliance Liquid Fund - Daily Dividend Reinvestment		-	5,936	90,74,992	10,565	1,61,50,967
SBI Premier Liquid Fund-Daily Dividend Reinvestment Plan	8,984	90,13,591	48,689	4,88,47,163	1,06,444	10,67,89,972
Sundaram Money Fund Daily Dividend Reinvestment Plan	14,86,092	1,50,13,246	14,85,626	1,50,08,532	49,63,335	5,01,42,091
Sundaram Money Fund Growth Plan	12,75,463	4,67,26,979		-		-
ICICI Prudential Liquid - Daily Dividend Reinvestment	31,229	31,28,135	4,11,033	4,11,31,491	1,80,779	1,80,90,323
Mirae Asset Cash Management Liquid Fund. Dir . DDR . Corp.	25,486	4,67,26,153		-		-
Total		**41,70,42,666**		**17,27,84,334**		**36,81,26,353**
Aggregate book value of quoted investments						
Aggregate market value of quoted investments		41,70,42,666		17,27,84,334		36,81,26,353
Aggregate carrying value of un-quoted investments						
Aggregate amount of impairment in value of investments						

Note :- Rs. 11,26,16,965 (PY 2016-17 Rs. 2,63,18,802, PY 2015-16 Rs. 2,15,00,000) are towards making payments of the deposits of members in future

10 **Trade receivables**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Unsecured, considered good						
Debts Outstandng for a period exceeding six months						
Unsecured, considered good	-	57,61,302		60,63,655		33,11,902
Doubtful	27,26,605		11,08,977		6,68,679	
Less :- Allowance for doubtful debts (expected credit loss allowance)	27,26,605		11,08,977		6,68,679	
Total		**57,61,302**		**60,63,655**		**33,11,902**

Note 1 Trade receivables are dues in respect of services rendered in the normal course of business.
Note 2 The Normal credit period allowed by the Group ranges from 0 to 60 days.
Note 3 The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by individual departments.
Note 4 There are no dues by directors or other officers of the Parent Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Movement in expected credit loss allowance

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance at the beginning of the year		11,08,977		6,68,679		5,10,876
Impairment loss allowance on trade receivables		16,17,628		4,40,298		1,57,803
Balance at the end of the year		27,26,605		11,08,977		6,68,679

11 **Cash and cash equivalent**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance with banks						
- In current accounts	1,46,77,818		4,56,75,223		1,47,44,812	
Stamps in hand	2,37,550		2,39,780		2,39,790	
Cash on hand	90,315		43,955		61,059	
Total		**1,50,05,683**		**4,59,58,958**		**1,50,45,661**

12 **Other Bank balance**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Other Bank Balances in Fixed Deposits *		1,37,93,85,112		41,24,00,000		69,23,85,702
* Includes : Rs.1,00,83,627/- (PY 2016-17 Rs.80,52,184/-, PY 2015-16 Rs.63,85,702/-) earmarked towards the Investor Service Fund.						
Total		**1,37,93,85,112**		**41,24,00,000**		**69,23,85,702**

13 **Other Financial Assets**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Loan to Metropolitan Stock Exchange ESOP Trust	10,71,731		10,22,329		10,07,709	
Less :- Provision for Doubtful Loan	5,50,000	5,21,731	5,50,000	4,72,329	5,50,000	4,57,709
Interest accrued on Fixed Deposits		39,83,518		6,61,36,762		6,91,55,048
Other		10,990		10,727		2,11,129
Total		**45,16,239**		**6,66,19,818**		**6,98,23,886**

14 **Income Tax Assets (Net) - Current**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Advance Income Tax (Net of Provision)		10,37,94,889		2,74,87,723		12,04,58,193
Total		**10,37,94,889**		**2,74,87,723**		**12,04,58,193**

15 **Other Current Assets**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good, unless otherwise stated)						
Tax recoverable, statutory deposits and dues from government		2,88,03,581		6,26,45,021		2,87,04,092
Advances to vendors		3,31,47,199		33,78,590		17,67,648
Advances to employees (Refer Note 42)		8,54,549		-		-
Prepaid expenses		2,40,05,483		1,39,96,635		1,51,51,890
Sundry deposits-				15,00,400		20,15,05,000
Other loan and advances	6,65,451		6,97,191		2,56,490	
Less :- Provision for doubtful advance	5,10,000	1,55,451	5,10,000	1,87,191	-	2,56,490
Total		**8,69,66,263**		**8,17,07,837**		**24,73,85,120**

16 **Share Capital:**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Authorised :						
5,50,00,00,000 (PY 2016-17: 3,50,00,00,000, PY 2015-16: 3,50,00,00,000)		8,50,00,00,000		3,50,00,00,000		3,50,00,00,000
Equity Shares of Re.1/- each						
Issued :						
4,78,23,68,284 (PY 2016-17 : 3,18,51,81,273, PY 2015-16 : 1,94,66,69,121) Equity Shares of Re.1/- each		4,78,45,74,846		3,18,51,81,273		1,94,66,69,121
Subscribed and Paid-up	**4,78,23,68,284**		**2,46,45,33,914**		**1,94,66,69,121**	
4,78,23,68,284 (PY 2016-17 : 2,46,45,33,914, PY 2015-16 : 1,94,66,69,121) Equity Shares of Re.1/- each						
Less :- Amount recoverable from Metropolitan Stock Exchange ESOP Trust (Refer Note 16.2) 49,77,671[(PY 2016-17 Rs.49,77,671, PY 2015-16 Rs.49,92,291) equity shares of Re 1/- each fully paid allotted to the Metropolitan Stock Exchange ESOP Trust]	49,77,671		49,77,671		49,92,291	
		4,77,73,90,613		2,45,95,56,243		1,94,16,76,830
Total		**4,77,73,90,613**		**2,45,95,56,243**		**1,94,16,76,830**

Rights of equity share holders

The company has only one class of equity shares having a par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the shares outstanding at the beginning and at the end of year.

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Equity shares						
At the beginning of the Year	2,46,45,33,914	2,46,45,33,914	1,94,66,69,121	1,94,66,69,121	1,16,34,13,045	1,16,34,13,045
Issued during the Year*	2,31,78,34,370	2,31,78,34,370	51,78,64,793	51,78,64,793	78,32,56,076	78,32,56,076
Outstanding at the end of the Year	4,78,23,68,284	4,78,23,68,284	2,46,45,33,914	2,46,45,33,914	1,94,66,69,121	1,94,66,69,121

*Notes

1 Company during the Previous year issued 26,51,77,600 equity shares of MSEI to MCX in lieu of Warrants held by MCX as per SEBI Approval Letter dated 28th Sept'16. Further, Company alloted 25,26,87,193 equity shares on right issue basis in the ratio of 1:1 at par

2 Company during the year issued 1,59,71,87,011 equity shares on right issue basis in the ratio of 1:1 at premium @ 0.30% and further issued 72,06,47,359 equity shares at par out of the unsubscribed portion of the right issue.

Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Equity shares of Re.1/- each fully paid-up						
Multi Commodity Exchange Of India Ltd	33,17,77,008	6.94%	33,17,77,008	13.53%	6,65,99,408	3.42%

B. Other Equity

Particulars	Reserves & surplus				Other comprehensive income	Total
	Securities premium account	Retained earnings	Non Refundable Interest Free Deposits Against Warrants	Warrant application money pending allotment	Remeasurement of employees benefit	
As at 1 April 2016	**3,51,56,66,074**	**(3,77,10,14,209)**	**41,59,32,672**	**-**	**-**	**16,05,84,537**
Application money received	-	-	-	34,31,295	-	34,31,295
Allotment during the year	-	-	(26,51,77,600)	-	-	(26,51,77,600)
Refunded	-	-	(15,07,40,072)	-	-	(15,07,40,072)
Addition	-	-	-	-	(7,70,241)	(7,70,241)
Minority Interest Reallocation		23,53,254				23,53,254
Profit for the year	-	(32,79,30,244)	-	-	-	(32,79,30,244)
As at 31 March 2017 / 1 April 2017	**3,51,56,66,074**	**(4,09,65,91,199)**	**15,000**	**34,31,295**	**(7,70,241)**	**(57,82,49,071)**
Add : Addition on share issued	47,71,15,243	-	-	-	-	47,71,15,243
Less : Share Issue Expenses	(6,48,72,690)	-	-	-	-	(6,48,72,690)
Application money received	-	-	-	-	-	-
Allotment during the year	-	-	-	(34,01,760)	-	(34,01,760)
Addition	-	-	-	-	17,51,589	17,51,589
Minority Interest Reallocation	-	61,55,823	-	-	-	61,55,823
Profit for the year	-	(54,78,53,094)	-	-	-	(54,78,53,094)
As at 31 March 2018	**3,92,79,08,627**	**(4,63,82,88,470)**	**15,000**	**29,535**	**9,81,348**	**(70,93,53,960)**

16.1 Warrant application money pending allotment

"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.29,535 received by MSEI.

The pending 29,535 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."

16.2 Shares reserved for issue under options

i) The Convertible share warrant holders have the option to convert their share warrant into 15,000 (PY 2016-17 15,000, PY 2015-16 41,59,32,672) equity shares of Re.1 each at the terms and conditions mentioned in note no.5.

ii) 81,84,600 (PY 2016-17 81,84,600, PY 2015-16 81,84,600) equity shares of Re.1 each have been reserved to be allotted to the ESOP trust under ESOP Scheme.

16.3 Loan to ESOP Trust

The Company's ESOP is administered through an ESOP Trust, which subscribes to shares of the Company and holds them until issuance thereof based on vesting and exercise of options by employees. At the time of formation of the trust, the Company has provided an interest free loan amounting to Rs. 60,00,000 to the Trust to subscribe to 54,33,000 shares issued at Re. 1 per share and were allotted on November 20, 2009. The amount of loan equivalent to the face value of securities subscribed and not allotted to employees 49,77,671 (Previous Year Rs. 49,92,291) has been deducted from share capital account and the balance part of the loan representing the amount of Rs. 10,07,709 (Previous Year Rs. 10,07,709] has been added to short term loans and advances in note no.13. The balance of such loan as at March 31, 2018 is Rs. 60,00,000. The repayment of the loan is primarily dependent upon the exercise of options by the employees, the price at which fresh or reissued options are granted and dividend income earned thereon till exercise of options. The Company believes that the options would be exercised by the employees and the Trust would be able to repay the loan based on the price received by the Trust there against. On that basis, the loan to the Trust is considered as good of recovery net of the impairment made considered necessary.

16.4 Non Refundable Interest Free Deposits Against Warrants

As on March 31, 2015, MCX held 4,82,11,514 equity shares and 59,16,00,731 warrants. During the financial year 2015-16, MCX exercised 1,83,87,894 warrants into Equity shares and transferred 15,72,95,165 warrants to buyers which were exercised into Equity Shares, out of which one applicant holding 15,000 warrants did not have demat account, hence the said warrants are not exercised into equity shares.

16.5 Share Issue Expenses

In accordance with Section 52 of the Companies Act, 2013, during the year the company has utilised securities premium account towards share issue expenses.

17 Core Settlement Guarantee Fund

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Core Settlement Guarantee Fund						
As per Last Balance Sheet		10,41,35,084		10,41,35,084		9,44,29,154
Add : Contribution/ Interest Accrued during the year		-		-		97,05,930
Total		**10,41,35,084**		**10,41,35,084**		**10,41,35,084**

18 Other long-term liabilities

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards :						
- Deposits		35,36,02,787		34,79,02,540		46,31,40,624
- Settlement Banks Deposits		9,58,64,916		9,58,64,916		20,00,00,000
- Core Settlement Guarantee Fund (Members Share)		24,38,96,957		24,79,21,757		5,19,72,789
- Other Deposits		40,30,000		40,30,000		66,30,000
Total		**69,73,94,660**		**69,57,19,213**		**72,17,43,413**

19 Provisions - Non Current

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Provision for leave encashment		26,80,749		44,26,505		54,29,530
Total		**26,80,749**		**44,26,505**		**54,29,530**

20 Borrowings - Current

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Secured						
Working Capital facility from bank		-		-		5,02,07,650
(The above loan is secured against charge on Fixed Deposits made with the banks)						
Total		**-**		**-**		**5,02,07,650**

21 Trade Payables

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Micro, Small and Medium Enterprises		-		-		-
Others		8,15,52,616		5,51,77,092		9,43,36,479
Total		**8,15,52,616**		**5,51,77,092**		**9,43,36,479**

22 Other current financial liabilities

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Deposits from members		54,47,48,403		70,67,37,913		72,27,85,631
Total		**54,47,48,403**		**70,67,37,913**		**72,27,85,631**

23 Other Current Liabilities

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Unearned Income towards :						
- Vsat connectivity charges	45,374		2,52,747		8,51,551	
- Admission fees	5,00,000		2,50,000		12,00,000	
- Other unearned incomes	26,15,216		-		-	
- POP and Co-location Charges	-		96,29,780		1,00,58,313	
- Transaction Charges	-		65,87,550		40,25,933	
		31,60,590		**1,67,20,077**		**1,61,35,797**
Investor Service fund # [Including interest earned of Rs. 6,80,751/- (PY 2016-17 Rs.5,51,869,2015-16 Rs.4,80,826)]		1,07,74,655		90,67,982		72,51,113
Sebi Regulatory Fees		50,00,000		50,00,000		50,00,000
Statutory Liabilities		64,21,749		47,07,736		94,81,545
Other Liabilities		95,63,985		53,65,976		47,95,585
Lease Equilisation		51,11,400		20,44,560		-
Total		**4,00,32,379**		**4,29,06,331**		**4,26,64,040**

Investor Service Fund was established by the Company in accordance with SEBI approval letter dated September 18, 2008. The fund is maintained to provide services to investors which include maintenance of investor grievance cell, education and awareness about securities market, price dissemination and other services that are in the interest of the investor. The balance amounting to Rs. 1,07,74,656 (PY 2016-17 Rs. 90,67,982, PY 2015-16 Rs. 72,51,113) as at March, 31, 2018 represents the Listing Fees Contribution, net of expenses and interest earned thereon.

24 Provisions - Current

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1,2016	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Provision for gratuity		18,01,428		29,62,797		2,45,447
Provision for leave encashment		4,62,534		4,07,644		9,15,790
Total		**22,63,962**		**33,70,441**		**11,61,237**

25 Revenue from operations

Particulars	2017-18		Apr-16 to Mar-17	
	Rupees	Rupees	Rupees	Rupees
Revenue from operations				
Sale of services -				
Transaction Fees		2,16,54,700		4,56,57,444
Other operating revenue -				
Membership Admission Fees		2,50,000		14,50,000
Processing Fees		2,37,70,000		6,71,20,000
Listing Fee		1,03,94,200		67,52,500
Annual Subscription Fees		77,000		1,00,000
Vsat connectivity income		6,96,166		7,40,555
Other connectivity charges		1,27,13,129		1,85,16,878
Data Feed Charges		43,69,864		58,66,831
Examination Fees		7,51,035		1,33,400
Membership Surrender Fee		73,00,000		2,14,50,000
Other revenue from Operations		29,52,252		27,82,092
Total		**8,49,28,346**		**17,05,69,700**

26 Other income

Particulars	2017-18		Apr-16 to Mar-17	
	Rupees	Rupees	Rupees	Rupees
Interest on Bank Deposits		15,83,17,695		10,22,39,816
Dividend from Non Trade Current Investments		91,10,083		2,44,35,831
Interest Income Others		83,04,556		6,09,30,371
Profit on sale of Current Investments (Net)		95,50,860		33,51,103
Fair valuation of Mutual fund		94,06,937		1,39,402
Profit on sale of assets		23,177		52,636
Miscellaneous Income		31,64,362		21,18,005
Total		**19,78,77,670**		**19,32,67,164**

27 Operating expenses

Particulars	2017-18		Apr-16 to Mar-17	
	Rupees	Rupees	Rupees	Rupees
Technology Cost		14,29,21,093		9,66,35,615
Sebi Regulatory Charges		59,79,750		56,03,250
Internet Connectivity Charges		2,31,452		3,84,129
Direct Communication Expenses		1,54,03,310		2,05,52,203
POP / NPN Charges		2,33,19,697		3,23,15,985
Co-Location Charges		2,01,75,417		2,66,40,206
Total		**20,80,30,719**		**18,21,31,388**

28 **Employee benefits expense**

Particulars	2017-18		Apr-16 to Mar-17	
	Rupees	Rupees	Rupees	Rupees
Salaries, Allowances and Bonus		18,67,95,387		15,80,72,574
Contribution to Provident Fund and other funds		95,72,377		86,89,645
Staff Welfare and Other Amenities		31,04,588		20,52,026
Total		**19,94,72,352**		**16,88,14,245**

29 **Finance costs**

Particulars	2017-18		Apr-16 to Mar-17	
	Rupees	Rupees	Rupees	Rupees
Interest expenses		-		29,16,152
Other Finance Costs		-		50,464
Total		**-**		**29,66,616**

30 **Advertisement and Business Promotion Expenses**

Particulars	2017-18		Apr-16 to Mar-17	
	Rupees	Rupees	Rupees	Rupees
Advertisement		6,23,50,060		3,27,91,365
Business Promotion Expenses		1,04,05,350		52,38,401
Sponsorships and Seminar		76,19,518		25,00,000
Total		**8,03,74,928**		**4,05,29,766**

31 **Other expenses**

Particulars	2017-18		Apr-16 to Mar-17	
	Rupees	Rupees	Rupees	Rupees
Rent		5,66,19,717		5,09,12,306
Repairs and Maintenance - Others		2,42,85,441		3,73,34,768
Insurance		37,04,220		21,21,726
Travelling and Conveyance		42,51,827		23,16,269
Communication Expenses		40,26,369		39,73,993
Legal and Professional Charges		1,90,99,040		1,39,28,309
Electricity Expenses		1,28,80,973		93,50,177
Membership and Subscription Fees		26,41,282		23,26,832
Directors Sitting Fees		52,65,000		44,08,000
Payment to Auditors :				
- Audit Fees (Incl. tax audit, ICFR report)	19,93,850		14,08,625	
- Other matters (Certification)	31,15,913		8,56,700	
- Reimbursement	-	51,09,763	11,850	22,77,175
Loss on Sale of Fixed Asset (net)		-		4,89,143
Exchange Rate Fluctuation (net)		1,00,314		5,930
ROC Fees		1,50,56,137		26,900
Expected Credit Loss		28,32,592		9,50,638
Bank Charges		80,163		63,155
Rates & Taxes including Stamp duty		65,81,437		28,46,593
Printing & Stationery		35,89,435		17,65,050
Contribution to ISF		19,01,000		12,65,000
Service Tax		1,28,83,556		-
Miscellaneous Expenses		1,59,32,667		1,93,68,645
Total		**19,68,40,933**		**15,57,30,609**

32 **Contingent Liability**

(i) **Claim against the company not acknowledged as debt.**

a. The Income Tax Department has raised tax demand of Rs.921.38 lakh for the assessment year 2012 – 13. The Company, has filed an appeal against the above order. The company has been advised that the demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

b. Company has received a claim of Rs. 60 Lakh towards early termination of a contract, the claim towards which is not tenable as per the opinion of the management.

(ii) **Other money for which the company is contingently liable**

a. The company has entered into various contracts including long term contracts with a company towards software license and maintenance agreements etc. The continuance of these contract shall depend on the future running of the business including raising required resources for the same. Hence, the chances of termination of these contracts and the impact of the same on the financial statements including penalty and charges if any cannot be commented upon.

33 **Capital Commitment**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 36,86,705 as on 31st March, 2018. (as on 31st March, 2017 Rs. 59,09,784).

34 The Company continued to prepare its financials statement on going concern basis in view of the following reasons:

The Company with eminent Board members is spearheading the Exchange with a strong vision for implementing an alternative development model for the Indian securities market.

During the year, Company has increased its equity capital by Rs.279.49 crore (including premium) and has invested Rs.201.57 crore in its subsidiary to meet regulatory requirement. SEBI has renewed the recognition of license of the exchange. Experienced and senior employees have joined the company. New branding and business promotion initiatives have been undertaken. The company and its subsidiary both have more than required net-worth. It also demonstrated capability of raising fresh capital every year for business needs. On all parameters of business, the company has achieved improvement and ensured continuity. Management is therefore justified in preparing the financial statements on going concern basis.

Pursuant to the order passed by the Hon'ble Competition Appellate Tribunal (COMPAT) dismissing the appeal of National Stock Exchange(NSE) against the order of Competition Commission of India levying penalty for abusing its dominance in the market, the Company has filed an application for compensation under Section 53N of the Competition Act, 2002 before the Hon'ble COMPAT for recovery of an amount of Rs.856.99 Crores along with interest pedente lite in future at the rate of 18% till realization of the claim, from NSE in respect of losses and damages suffered on account of the unfair pricing practices under the Competition Act, 2002. At present the Hon'ble Tribunal adjourned the case sine die with liberty to the parties to mention the matter after the decision of the Hon'ble Supreme Court in

Civil Appeal no 8974 of 2014.

The company continues to maintain net worth 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. All contractual obligations are being met on time and the company has largely cleared the pending dues to vendors.

The Company has unutilized service tax credit of Rs. 40.81 crores as at March 31, 2018 (previous year Rs. 35.14 crores). As mentioned above, the 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.

Similarly, since the company is confident of improving its business and making profits in future years, no impairment testing is carried out with regard to its tangible and intangible assets.

35 In the Financial year 2012-13, the Parent Company recognized MAT credit entitlement under section 115 JB of Income Tax, Act 1961 amounting to Rs. 1.86 crore. The Company is of the view that it will be under normal income tax in future years and will be in the position to utilize this credit, it continued to carry the above MAT credit entitlement as an asset good for recovery.

36 In some earlier years, the Company could not charge transaction fee in its Currency Derivatives Segment as its dominant competitor, National Stock Exchange of India Ltd. (NSE), was not charging the same. On the complaint of the Company, the Competition Commission of India (CCI) passed an order dated June 23, 2011 directing NSE to cease and desist from carrying on its unfair pricing policy and further levied a penalty of Rs. 55.50 crore on NSE. NSE had appealed against the said order before the Hon'ble Competition Appellate Tribunal (COMPAT), which vide its order dated August 5, 2014 upheld the order passed by the Hon'ble CCI and found NSE guilty of abusing its dominant position as it had indulged in anti-competitive practices.

An appeal has been filed by NSE before the Hon'ble Supreme Court of India challenging the order passed by the COMPAT on August 05, 2014. The Hon'ble Supreme Court granted NSE only a limited interim stay on the recovery of the penalty amount of Rs. 55.50 crores (@ 5% of the average turnover).

At the hearing on February 12, 2018, the counsels were heard and an interim stay was granted to the proceedings of damages during the pendency of the present appeal filed by NSE in Supreme Court. The appeal was then listed on April 13, 2018.

At the hearing on April 13, 2018 upon hearing our counsels, the court passed the order to post the matter on Thursday, 19th July, 2018 for final hearing. Interim orders on the penalty amount to be continued.

"While the aforesaid Appeal filed by NSE is pending before the Supreme Court of India, the Exchange has filed an Application for award of compensation for Rs. 856.99 crs. under Section 53N (1) of the Competition Act, 2002 before the COMPAT (now NCLAT).

Thereafter the matter had been listed on various dates for hearing. However, due to paucity of time, the matter could not be taken up for hearing.

At the hearing on 29.11.17, the Learned Senior Counsel of the Appellant (MSE) submits that an appeal has been preferred by the Respondent (NSE) before Hon'ble Supreme Court against the order dated 5th August, 2014 passed by COMPAT in Appeal No. 15 of 2011 and no interim order of stay has been passed by the Hon'ble Supreme Court.

In the above said circumstances, the Hon'ble Appellate Tribunal has given an opportunity to the Respondent to press the application for interim relief which is stated to be pending before the Hon'ble Supreme Court. In case of rejection of application for Interim order, this Appellate Tribunal may proceed with the application under Section 53(N) of the Competition Act, 2002.

At the hearing on 08.03.18, the Learned Counsel for the Respondent-NSE brought to the notice of the Appellate Tribunal the order dated 12.02.18 passed by Hon'ble Supreme Court in Civil Appeal No.8974 of 2014 wherein an interim order of stay of proceeding of damages had been passed.

In the circumstances, the Hon'ble Tribunal adjourned the case for sine die with liberty to the parties to mention the matter after the decision of the Hon'ble Supreme Court.

37 **Issue of Shares**

a 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.

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.

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 MSE.

b. 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.

The unsubscribed portion after the above allotment was 72,06,47,359 equity shares as on April 01, 2017. Subsequently, the Board has allotted 72,06,47,359 equity shares out of unsubscribed portion of the Rights Issue on various dates & Rights the said Right issue is closed as fully subscribed.

c. 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.4,77,73,90,613/- (which excludes 49,77,671 equity shares held by Metropolitan Stock Exchange ESOP Trust).

d. The Board at its meeting held on September 24, 2016 also allotted 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 were convertible 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 were eligible for conversion on and after September 24, 2017.

Out of the outstanding warrants of 68,62,589, the Exchange received the balance amount of Rs.0.50 per warrant for 68,03,519 warrants. Accordingly, the company has converted 68,03,519 warrants into equity shares of Rs. 1/- each upon receipt of conversion request for same. The outstanding warrants not requested for conversion as on March 31, 2018 is 59,070. The Board had at their meeting held on December 14, 2017 further extended the timeline up to March 31, 2018 for payment of the balance amount.

38 **Earnings per share ('EPS')**

(Amount in Rs. Except for number of Shares)

Particulars	Apr-17 to Mar-18	Apr-16 to Mar-17
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders	(54,74,85,230)	(32,58,24,930)
Weighted average number of equity shares outstanding during the year for basic EPS	3,67,44,78,072	2,18,41,95,462
Add-Shares Issued to ESOP Trust	49,77,671	49,77,671
Add- Shares on conversion of warrants	15,000	15,000
Weighted average number of equity shares outstanding during the year for diluted EPS	3,67,94,70,743	2,18,91,88,133
Basic earnings per share of face value Re. 1 each	(0.15)	(0.15)
Diluted earnings per share of face value Re. 1 each	(0.15)	(0.15)

The effects of conversion of non refundable interest free deposit against warrants into equity shares and the shares allotted to the ESOP trust pursuant to the employee share based payment plan are anti-dilutive and accordingly not considered for the computation of diluted earnings per share.

39 **Stock based compensation:**

The Company with the authorization of its shareholders, framed the 'MCX Stock Exchange Employees Stock Option Scheme, 2009', which contemplated issue of ESOPs through the Trust route. Accordingly, 'Metropolitan Stock Exchange ESOP Trust' was formed on November 13, 2009, as a trust.

Under the Scheme, the Compensation Committee of the Company shall decide, the options to be granted, the vesting schedule of the options to be granted and other incidental and consequential matters. The Trust shall be obliged to act on the instructions of the Compensation Committee.

a) On November 27, 2009 a total of 11,25,000 stock options (ESOP Round-I) have been granted under the Scheme. Details of the Options granted by the ESOP Trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
27-11-2009	3,71,250	Re.1	01-12-2010	Upto December 1, 2011
	3,71,250	Re.1	01-12-2011	Upto December 1, 2012
	3,82,500	Re.1	01-12-2012	Upto December 1, 2013

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1 each at par. Exercise period for each option is as stated above.

b) On March 20, 2012 a total of 40,55,100 stock options (ESOP Round-II) have been granted under the Scheme. Details of the Options granted by the ESOP Trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
20-03-2012	13,38,183	Rs. 2.10	20-03-2013	Upto March 20, 2014
	13,38,183	Rs. 2.10	20-03-2014	Upto March 20, 2015
	13,78,734	Rs. 2.10	20-03-2015	Upto March 20, 2016

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1 each at Rs. 2.10. Exercise period for each option is as stated above. The maximum exercise period for 19,50,000 options granted to twelve employees is being extended to five years from the date of vesting. Same was approved by shareholders at Annual General Meeting held on September 28, 2013. The exercise period shall end after six months of cessation of employment in case of all employees.

c) On November 1, 2012 a total of 5,53,250 stock options (ESOP Round – III) have been granted under the scheme. Details of the Options granted by the ESOP trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
01-11-2012	1,82,571	Rs. 2.35	01-11-2013	Upto November 1, 2014
	1,82,574	Rs. 2.35	01-11-2014	Upto November 1, 2015
	1,88,105	Rs. 2.35	01-11-2015	Upto November 1, 2016

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1/- each at Rs. 2.35/-. Exercise period for each option is as stated above. The maximum exercise period for 4,03,000 options granted to five employees is being extended to five years from the date of vesting which was approved by shareholders at Annual General Meeting held on September 28, 2013. The exercise period shall end after six months of cessation of employment in case of all employees.

d) On March 12, 2013 a total of 1,45,800 stock options (ESOP Round – IV) have been granted under the scheme. Details of the Options granted by the ESOP trust are as under:

Grant Date	No. of Options granted	Exercise Price	Vesting Date	Exercise period
12-03-2013	48,113	Rs. 3.95	12-03-2014	Upto March 12, 2015
	48,115	Rs. 3.95	12-03-2015	Upto March 12, 2016
	49,572	Rs. 3.95	12-03-2016	Upto March 12, 2017

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of Re. 1/- each at an exercise price of Rs. 3.95. Exercise period for each option is as stated above.

The above mentioned total grant of 58,79,150 shares includes 4,46,150 shares acquired by ESOP other than by way of loan from the Company. (Refer note 1 below)

The particulars of number of options granted and lapsed under the Scheme are tabulated below:

Particulars	ESOP 2009 Round-I (Nos.)	ESOP 2009 Round-II (Nos.)	ESOP 2009 Round-III (Nos.)	ESOP 2009 Round-IV (Nos.)
Outstanding at the start of the year	NIL	92,000	3,38,000	NIL
Granted during the year	NIL	NIL	NIL	NIL
Forfeited/Lapsed during the year	NIL	92,000	3,38,000	NIL
Exercised during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the year	NIL	NIL	NIL	NIL
Exercisable / vested at the end of the year	NIL	NIL	NIL	NIL

Other disclosures

Particulars	ESOP 2009 Round-I	ESOP 2009 Round -II	ESOP 2009 Round-III	ESOP 2009 Round -IV
The intrinsic value per option	NIL	NIL	NIL	NIL
The estimated fair value per share	1.15	1.55	1.79	1.79
The estimated fair value per option	0.15	0.25	0.003	0
Date of option granted	27-Nov-09	March 20,2012	01-Nov-12	12-Mar-13

The fair values have been determined using Black-Scholes Model considering the following parameters:

Particulars	ESOP 2009 (Round-I)	ESOP 2009 (Round-II)	ESOP 2009 (Round-III)	ESOP 2009 (Round-IV)
(i) Fair Value of share at grant date	Re.1	Rs. 1.55	Rs. 1.79	Rs. 1.79
(ii) Exercise price	Re.1	Rs.2.10	Rs. 2.35	Rs. 3.95
(iii) Expected volatility	1%	1%	1%	1%
(iv) Option Life	2 Years	2 Years	2 Years	2 Years
(v) Expected Dividends	Expected Dividends have not been taken into consideration since the company has commenced operations in August 2008 and has been incurring losses ever since.	Expected Dividends have not been taken into consideration since the company has commenced operations in August 2008 and has been incurring losses ever since.	The Company has made loss in this financial year and does not intend to propose any dividend for the financial year 2015-16.	The Company has made loss in this financial year and does not intend to propose any dividend for the financial year 2015-16.
(vi) Risk free interest rate	8.00%	8.75%	9.00%	9.00%
(vii) To allow for the effects of early exercise, it is assumed that the employee would exercise the options after vesting date.				

As per the management estimate the loss of the Company for the year would have been Nil (and Previous Year Nil) had the Company accounted the employee share-based payment using the fair value method. There is no material impact on the earnings per share.

Note:

A loan of Rs. 10,49,970/- was taken for acquiring 6,77,400 Equity Shares of Re.1/- each at a valuation of Rs. 1.55/- per share for funding the acquisition of shares in respect of options to be granted to the non-executive directors of MSEI and the employees and directors of its subsidiary Metropolitan Clearing Corporation of India Ltd. (formerly known as MCX-SX Clearing Corporation Limited). The status for the same as follows:

Shares Issued till 31st March '17	Shares Issued in current year	Balance Shares as on 31st March 2018	Total Shares Acquired
1,47,337	-	5,30,063	6,77,400
(1,47,337)		(5,30,063)	(6,77,400)

The total number of options lapsed as on March 31, 2018 are as follows:-

Round I	Round II	Round III	Round IV	Total
4,20,000	34,80,508	5,53,250	1,45,800	45,99,558

As per Clause 4.1 of ESOP Scheme 2009, the aforesaid Forfeited/lapsed stock options under this scheme can be granted to other employees including new employees by the Trust in accordance with the directions of the Compensation Committee given at its absolute discretion.

40 Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit

Defined Contribution Plan:

Provident Fund - The Company makes contribution towards provident fund as a specified percentage of the payroll cost to Regional Provident Fund Commissioner managed by the Employees' Provident Fund Organization, India. There are no other obligations other than the contribution payable to said fund.

Contribution to Defined Contribution Plan, recognised as expenses in the Statement of Profit & Loss for the year is as under:

(Amount in Rs.)

Particulars	2017-18	2016 - 2017
Employer's Contribution to Provident Fund	68,37,322	62,63,809

Defined benefit plan:

Gratuity: The gratuity is payable to all members at the rate of 15 days salary for each year of service.

The scheme is funded with an insurance company in the form of qualifying insurance policy. The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2017 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2018.

I Changes in the present value of the Defined Benefit Obligation representing reconciliation of opening and closing balances thereof are as follows:

(Amount in Rs.)

Particulars	Gratuity	
	2017-18 (Funded)	2016-17 (Funded)
Defined Benefit Obligation at the beginning of the year	1,21,74,836	1,04,92,112
Current Service cost	27,04,839	22,46,247
Interest Cost	8,86,851	8,43,058
Liability transfer in	-	-
Liability transfer out	-	-
Actuarial (gain) / loss	(19,07,928)	4,72,664
Benefits paid	(12,14,489)	(18,79,245)
Defined Benefit obligation at the end of the year	1,26,44,109	1,21,74,836

II Reconciliation of opening and closing balance of the Fair value of Plan Assets- (Amount in Rs.)

Particulars	Gratuity	
	2017-18	2016-17
Fair Value of Plan Assets at the beginning of the year	92,12,039	1,03,29,423
Expected Return On Plan Assets	6,71,012	8,29,953
Contribution during the year	23,30,458	2,29,485
Transfer From Other Company	-	-
Transfer To Other Company	-	-
Benefit Paid From The Fund	(12,14,489)	(18,79,245)
Actuarial Gains/(Losses) On Plan Assets	(1,56,339)	(2,97,577)
Fair Value of Plan Assets at the end of the year	1,08,42,681	92,12,039

III The amount recognized in the Balance Sheet as follows:- (Amount in Rs.)

Particulars	Gratuity	
	2017-18	2016-17
Present value of Benefit Obligation at the end of the Project	(1,26,44,109)	(1,21,74,836)
Fair Value of Plan Asset at the end of the Period	1,08,42,681	92,12,039
Funded Status (Surplus / (Deficit))	(18,01,428)	(29,62,797)
Net Liability/(Asset) recognized in Balance Sheet	(18,01,428)	(29,62,797)

IV The amount recognized in the statement of Profit & Loss is as follows: (Amount in Rs.)

Particulars	Gratuity	
	2017-18 (Funded)	2016-17 (Funded)
Current service cost	27,04,839	22,46,247
Interest Cost	2,15,839	13,105
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Net expenses	29,20,678	22,59,352

V The amount recognized in the Balance Sheet as follows:- (Amount in Rs.)

Particulars	Gratuity	
	2017-18	2016-17
Actuarial (Gains) / Losses on obligation for the period	(19,07,928)	4,72,664
Return on plan assets, excluding interest income	1,56,339	2,97,577
Change in asset Ceiling	-	4,69,840
Net (income) / expense for the period recognized in OCI	(17,51,589)	12,40,081

VI Expected payout from the fund / employer (Amount in Rs.)

Particulars	Fund		Gratuity	
	2017-18	2016-2017	2017-18	2016-2017
Projected benefits payable in Future Years from Date of reporting				
1st Following year	23,01,071	2,83,004	-	-
2nd Following year	7,42,524	3,33,712	-	-
3rd Following year	7,56,071	3,57,058	-	-
4th Following year	7,92,622	13,84,565	-	-
5th Following year	8,37,937	3,84,244	-	-
6th - 10th Following years	46,53,456	44,29,003	-	-
11th year and above	1,86,24,207	2,96,85,767	-	-

VII **Sensitivity Analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in Rs.)

Particulars	Gratuity	
	2017-18	2016-17
Projected benefit obligation on Current Assumption	1,26,44,109	1,21,74,836
Effect of +1% change in Rate of discounting	(9,29,035)	(13,89,237)
Effect of -1% change in Rate of discounting	10,79,514	16,64,780
Effect of +2% change in Rate of Salary Increase	19,46,000	32,44,428
Effect of -2% change in Rate of Salary Increase	(15,38,611)	(23,77,174)
Effect of +5% change in Rate of Employee Turnover	1,10,762	(3,29,363)
Effect of -5% change in Rate of Employee Turnover	(3,38,839)	3,24,019

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

VIII Principal actuarial assumptions at the Balance sheet date: (Amount in Rs.)

Particulars	Gratuity As at	
	31-Mar-18	31-Mar-17
Mortality Table(LIC)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Rate of employee turnover	For service 4 yrs & below 19% pa & 7% pa thereafter	For service 4 yrs & below 10% pa & 2% pa thereafter
Discount rate (per annum)	7.78%	7.29%
Expected Return on Plan Asset	7.78%	7.29%
Rate of escalation in salary (per annum)	6.50%	7.50%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

The company has taken a Gratuity Policy with Life Insurance Corporation of India, the funds of which are managed by Life Insurance Corporation of India. Therefore the composition of investments is not ascertainable

41 **Segment Reporting**

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 allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial statements has disclosed the segment information to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

Primary Segment **Business segments being Trading & Clearing** (Amount in Rs.)

Particulars	Trading Services		Clearing Services		Unallocable		Total	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
REVENUE:								
External Revenue	8,48,51,346	17,04,69,700	77,000	1,00,000	-	-	8,49,28,346	17,05,69,700
Inter-segment Revenue	-	-	23,08,986	67,38,123	-	-	23,08,986	67,38,123
Total Revenue	**8,48,51,346**	**17,04,69,700**	**23,85,986**	**68,38,123**	**-**	**-**	**8,72,37,333**	**17,73,07,823**
SEGMENT RESULT :								
Profit / (Loss) Before Interest & Tax	(60,48,53,260)	(44,55,56,297)	(13,80,92,783)	(6,71,64,109)	2,88,14,163	1,44,34,338	(71,41,31,880)	(49,82,86,068)
Less: Interest Expense	-	-	-	-	-	(29,66,616)	-	(29,66,616)
Add: Interest Income	-	-	-	-	16,66,22,251	17,62,88,153	16,66,22,251	17,62,88,153
Profit / (Loss) After Interest	(60,48,53,260)	(44,55,56,297)	(13,80,92,783)	(6,71,64,109)	19,54,36,414	18,77,55,875	(54,75,09,629)	(32,49,64,531)
Less: Minority Interest	-	-	-	-	-	-	3,67,864	21,05,466
Profit / (Loss) for the Year	(60,48,53,260)	(44,55,56,297)	(13,80,92,783)	(6,71,64,109)	19,54,36,414	18,77,55,875	(54,78,77,493)	(32,70,69,997)
OTHER INFORMATION								
Segment Assets	1,08,39,73,859	1,09,87,67,017	5,94,65,129	7,10,86,623	4,52,31,38,309	2,45,54,51,122	5,66,65,77,298	3,62,53,04,762
Segment Liabilities	61,24,33,051	67,62,72,799	49,54,55,506	57,04,83,792	26,07,83,669	26,15,80,918	1,36,86,72,226	1,50,83,37,509
Segment Capital Expenditure	7,56,80,438	9,60,06,597	4,10,234	46,107	-	-	7,60,90,672	9,60,52,704
Depreciation / Amortisation	14,55,51,721	13,92,67,765	1,65,824	2,21,405	-	-	14,57,17,545	13,94,89,170

Secondary Segment

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

Note:

Segment Liabilities are after elimination of inter company contribution towards Settlement Guarantee Fund, Core Settlement Guarantee Fund allocations.

42 Ind AS 24 - Related party Disclosures

a) Names of related parties and nature of relationship:

(i) Key Management Personnel (KMP)

MSEI

- Mr. Udai Kumar (MD & CEO)
- Mr. Abhijit Chakraborty (COO) upto March 15, 2018
- Mr. Chetan Utture (CFO) upto October 13, 2017
- Mr. Kunal Sanghavi (CFO) w.e.f. February 12, 2018
- Ms. Sangeeta Shetty (Company Secretary) upto January 23, 2017
- Mr. Rathindra Das (Company Secretary) upto January 5, 2018

MCCIL

- Mr. Balu Nair (MD & CEO)
- Mr. Krishana Wagle (CFO)
- Ms. Avni Patel (Company Secretary)

(ii) Others

- Metropolitan Stock Exchange ESOP Trust
- MCX Stock Exchange Investor Protection Fund Currency Derivative Segment Trust (MCX SX IPF CDS Trust)

b) Details of transactions with related parties

Nature of Transaction	MCX SX IPF CDS Trust (Others)#	Metropolitan Stock Exchange ESOP Trust (Others)
Clearing and settlement charges	- (-)	- (-)
Rent income	- (-)	- (-)
Shared service cost recovered / (Reversed)	(53,00,000) (53,00,000)	- (-)
Shares allotted to ESOP Trust	- (-)	- (-)
Advance Shared service cost recovered	- (-)	
Trade Receivable	- (-)	49,402 (28,702)
Investments in equity shares	- (-)	- (-)
Closing Balance of Investments in equity shares	- (-)	- (-)
Contribution towards core settlement guarantee fund (CSGF)	- (-)	- (-)
Closing Balance of Loan to ESOP Trust	- (-)	60,00,000 (60,00,000)
Closing Balance	- (-)	49,402 (-)

The company acts as an intermediary for collection of penalties and share of listing fees to be transferred to MCX SX IPF CDS Trust accordingly those transactions have not been considered above.

c) Transactions with KMP:

Nature of transactions	Amount (Rs.)
Salary & allowances*:	
Mr.Udai Kumar	84,12,213 (84,53,116)
Mr.Abhijit Chakraborty	46,36,955 (42,90,066)
Mr.Chetan Utture	15,08,711 (13,54,145)
Mr. Kunal Sanghavi	5,42,731 -
Ms.Sangeeta Shetty	- (13,75,482)
Mr.Rathindra Das	18,22,309 (31,388)
Mr. Balu Nair	51,94,824 (39,78,048)
Mr. Krishana Wagle	18,20,211 (13,96,661)
Ms. Avni Patel	13,96,868 (9,21,737)
Advances :	
Mr.Udai Kumar	8,50,735 (-)
Closing Balance	**6,38,051** **(-)**

*Excludes gratuity and long term compensated absences which are actuarially valued and where separate amounts are not identifiable.

(i) Related party relationship is as identified by the Company and relied upon by the auditors.

(ii) There are no amounts written off or written back in the year in respect of debts due from or to related parties.

(iii) Figures in bracket represent previous year's amounts.

(iv) The transactions with the related parties are disclosed only till the relation exists.

(v) Transaction charges collected by Metropolitan Clearing Corporation Of India Limited on behalf of the company and paid to the company have not been considered for the aforesaid disclosure.

43 Operating lease

The Company has entered into operating lease agreements for its office premises.

a) The minimum lease rentals on operating leases recognized in the statement of Profit & Loss and the future minimum lease payments under operating leases are as follows: (Amount in Rs.)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Future minimum lease payments		
Not later than one year	5,24,54,525	5,23,57,024
Later than one year and not later than five years	12,48,00,117	17,59,30,947
Later than five years	-	-

b) Lease payments recognised in the statement of Profit & Loss is Rs. 5,66,19,717/- (Previous year Rs. 5,21,54,046/-).

c) Sub-lease payment received and recognised in the statement of Profit & Loss is Rs. 61,69,188/- (Previous Year Rs. 61,69,188).

44 Fair value Measurement

Financial Instruments by category (Amount in Rs.)

Particulars	31/03/2018			31/03/2017			01/04/2016		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets									
Investments									
Equity Instruments	-	-	-	-	-	-	-	-	-
Mutual Funds	41,70,42,666	-	-	17,27,84,334	-	-	36,81,26,353	-	-
Trade receivables	-	-	57,61,302	-	-	60,63,655	-	-	33,11,902
Cash and Cash equivalents	-	-	1,50,05,683	-	-	4,59,58,958	-	-	1,50,45,661
Bank balances other than cash and cash equivalents	-	-	1,37,93,85,112	-	-	41,24,00,000	-	-	69,23,85,702
Deposits	-	-	2,53,55,42,954	-	-	1,56,73,43,934	-	-	1,16,92,39,428
Other receivables	-	-	45,16,239	-	-	6,66,19,818	-	-	6,98,23,886
Total financial assets	**41,70,42,666**	**-**	**3,94,02,11,290**	**17,27,84,334**	**-**	**2,09,83,86,365**	**36,81,26,353**	**-**	**1,94,98,06,579**
Financial liabilities									
Trade payables	-	-	8,15,52,615	-	-	5,51,77,092	-	-	9,43,36,479
Other financial liabilities	-	-	1,24,21,43,063	-	-	1,40,24,57,126	-	-	1,44,45,29,044
Total financial liabilities	**-**	**-**	**1,32,36,95,678**	**-**	**-**	**1,45,76,34,218**	**-**	**-**	**1,53,88,65,523**

The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including creditors, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Fair Value Hierarchy

(a) Fair value hierarchy - Recurring fair value measurements (Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Financial assets		
At Fair value through profit & loss		
Level 1		
Mutual fund Investments	41,70,42,666	17,27,84,334
	41,70,42,666	**17,27,84,334**

Recognised fair value measurements

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

"Specific valuation techniques used to value financial instruments include:

• the use of quoted market prices of instruments"

45 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the parent Company and its Subsidiary i.e. Metropolitan Clearing Corporation of India Limited shall have a minimum net worth of Rs. 100 Crores and Rs. 300 Crores respectively, at all times.

46 Financials Risk Management

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk), regulatory risk and clearing & settlement risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The demographics of the customer, including the default risk of the industry in which the customer operates, also has an influence on credit risk assessment.

The Company provides the stock exchange services to its listed customers and registered members (who have provide the collaterals and other securities for trading done on its platform), hence the Company operates with large number of customers portfolio and its revenue is not concentrated on small number of customers. All trade receivables are reviewed and assessed for default on a periodic basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2018.

Other Financial Assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in debt mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Finance Department.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company’s finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The management monitors the Company’s net liquidity position through forecasts on the basis of expected cash flows. The company is also taking steps to improve liquidity going forward by focusing on new initiatives taken recently.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018, March 31, 2017 and April 1, 2016

(Amount in Rs.)

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2018				
Liabilities				
Trade payables	8,15,52,615	8,15,52,615	-	8,15,52,615
Other financials liabilities	1,24,21,43,063	54,47,48,403	69,73,94,660	1,24,21,43,063
Assets				
Trade Receivables	57,61,302	57,61,302	-	57,61,302
Investment	41,70,42,666	41,70,42,666	-	41,70,42,666
Cash and Cash equivalents	1,50,05,683	1,50,05,683	-	1,50,05,683
Bank balances other than cash and cash equivalents	1,37,93,85,112	1,37,93,85,112	-	1,37,93,85,112
Deposits	2,53,55,42,954	-	2,53,55,42,954	2,53,55,42,954
Other receivables	45,16,239	45,16,239	-	45,16,239
As at March 31, 2017				
Liabilities				
Trade payables	5,51,77,092	5,51,77,092	-	5,51,77,092
Other financials liabilities	1,40,24,57,126	70,67,37,913	69,57,19,213	1,40,24,57,126
Assets				
Trade Receivables	60,63,655	60,63,655	-	60,63,655
Investment	17,27,84,334	17,27,84,334	-	17,27,84,334
Cash and Cash equivalents	4,59,58,958	4,59,58,958	-	4,59,58,958
Bank balances other than cash and cash equivalents	41,24,00,000	41,24,00,000	-	41,24,00,000
Deposits	1,56,73,43,934	-	1,56,73,43,934	1,56,73,43,934
Other receivables	6,66,19,818	6,66,19,818	-	6,66,19,818
As at April 01, 2016				
Liabilities				
Trade payables	9,43,36,479	9,43,36,479	-	9,43,36,479
Other financials liabilities	1,44,45,29,044	72,27,85,631	72,17,43,413	1,44,45,29,044
Assets				
Trade Receivables	33,11,902	33,11,902	-	33,11,902
Investment	36,81,26,353	36,81,26,353	-	36,81,26,353
Cash and Cash equivalents	1,50,45,661	1,50,45,661	-	1,50,45,661
Bank balances other than cash and cash equivalents	69,23,85,702	69,23,85,702	-	69,23,85,702
Deposits	1,16,92,39,428	-	1,16,92,39,428	1,16,92,39,428
Other receivables	6,98,23,886	6,98,23,886	-	6,98,23,886

Market risk

The Company's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, liquidity and similar factors, as a significant portion of our revenue depends, either directly or indirectly, on trading, listing, clearing and settlement transaction-based fees.

The Company's financial condition and results of operations are also dependent upon the success of our clearing, settlement and other issuer services, which, in turn, are directly dependent on the liquidity and financial strength of our customers, namely financial intermediaries such as brokers, and their respective clients.

Regulatory risk

The Company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of it's components. For example, the Company have licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange and trading in government securities. Some of these approvals are required to be renewed from time to time. The Company's operations are subject to continued review and the governing regulations may change. The Company's regulatory team constantly monitors the compliance with these rules and regulations.

There have been several changes to the form and manner in which recognised stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Group may have to contribute more of funds to the Settlement Guarantee Fund which could materially and adversely affect the Group's financial ability. The Group's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Company. The clearing and settlement operations are conducted through a wholly owned subsidiary Metropolitan Clearing Corporation Of India Limited (MCCI). MCCI guarantees the settlement of trade executed on Company's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

47 Taxes

a) Income Tax Expenses

The major components of income tax expenses for the year ended March 31, 2018

Profit or loss section

Particulars	2017-18	2016-17
Current tax expense	-	-
Current tax expense of earlier years	-	-
Deferred tax	(1,45,231)	-
Total income tax expense recognised in profit or loss	**(1,45,231)**	**-**

Other comprehensive income section

Particulars	2017-18	2016-17
Measurements of the defined benefit plans;	14,637	-
Total income tax expense recognised in Other comprehensive income	**14,637**	**-**

b) Reconciliation of effective tax rate

Particulars	2017-18	2016-17
a) Income before income tax	(54,76,30,461)	(32,58,24,930)
b) Enacted tax rate in India	34.608%	34.608%
c) Expected tax expenses (a*b)	-	-
d) Other than temporary differences		
Investment income	-	-
Expenses disallowed / (allowed)	-	-
Total	**-**	**-**
e) Temporary difference on which deferred tax assets not recognised		
Business loss and Unabsorbed depreciation carried forward	4,64,66,21,359	4,36,64,17,598
Total	**4,64,66,21,359**	**4,36,64,17,598**
f) **Net adjustments (d+e)**	4,64,66,21,359	4,36,64,17,598
g) **Current tax expense of earlier years**		
h) **Tax expenses recognised in Profit or Loss (c+f+g)**	-	-

In the absence of reasonable certainty, deferred tax assets on account of unabsorbed depreciation and brought forward losses has not been recognized.

48 Core Settlement Guarantee Fund (Core SGF)

Securities & Exchange Board of India (SEBI) had issued norms related to the computation and contribution to the Core Settlement Guarantee Fund (Core SGF) as part of the SEBI Circular CIR/CMD/DRMNP/25/2014 dated August 27, 2014. Based on said guidelines Clearing Corporation and Stock Exchange are required to contribute at least 50% and 25% of the Minimum Required Corpus (MRC) of the Core SGF whereas up to 25% of the Core SGF contribution can be collected from Clearing Members.

Minimum Required Corpus (MRC) of Core SGF (Amount in INR)

Segment (a)	MRC (b)	Contribution required from MCCIL (Minimum) (c)=50%*b	Contribution required from MSE (Minimum) (d)=25%*b	Contribution required from Clearing Members (Maximum) (e)=25%*b
CDS	41,65,40,337	20,82,70,169	10,41,35,084	10,41,35,084
ECM	-	-	-	-
EDS	-	-	-	-
DMS	-	-	-	-
Total	**41,65,40,337**	**20,82,70,169**	**10,41,35,084**	**10,41,35,084**

Corpus of Core SGF as on March 31, 2018 (Amount in INR)

Segment	Total Corpus	MCCIL Cash	MSE Cash	Clearing Members		Penalties Cash
				Cash	Non-Cash	
(a)	(b)=(c)+(d)+(e)+(f)+(g)	(c)	(d)	(e)	(f)	(g)
CDS	46,74,43,881	28,53,71,109	13,36,65,619	31,38,456	-	4,52,68,696
ECM	32,16,451	32,06,371	-	-	-	10,080
EDS	35,00,423	32,06,371	-	-	-	2,94,052
DMS	32,06,371	32,06,371	-	-	-	-
Total	**47,73,67,125**	**29,49,90,222**	**13,36,65,619**	**31,38,456**	**-**	**4,55,72,827**

Corpus of Core SGF as on March 31, 2017 (Amount in INR)

Segment	Total Corpus	MCCIL Cash	MSE Cash	Clearing Members		Penalties Cash
				Cash	Non-Cash	
(a)	(b)=(c)+(d)+(e)+(f)+(g)	(c)	(d)	(e)	(f)	(g)
CDS	52,21,21,336	24,74,57,732	12,77,78,068	3,91,32,807	6,57,79,552	4,19,73,178
ECM	30,32,354	30,22,276	-	-	-	10,078
EDS	32,95,512	30,22,276	-	-	-	2,73,236
DMS	30,22,276	30,22,276	-	-	-	-
Total	**53,14,71,478**	**25,65,24,560**	**12,77,78,068**	**3,91,32,807**	**6,57,79,552**	**4,22,56,492**

Note:

1 Contribution made by the MCCIL to the Core SGF Corpus is funded through its Equity.

2 Further, in accordance with the directions received from the SEBI, MCCIL had contributed an amount of INR 25 lakh each in Equity Derivative Segment, Equity Cash Market and Debt Market Segment as the minimum corpus of Core SGF with effect from February 2, 2015.

3 Corpus of Core SGF includes contribution made by the contributors, penalties levied and income earned on the corpus.

4 In view of adequacy of corpus of Core SGF taking into consideration of the contribution made by the MCCIL and the MSE (including interest income), MCCIL has decided to discontinue obtaining contributions from its Clearing Members w.e.f. July 1, 2017.

5 Further, Clearing Members are required to maintain liquid assets in the prescribed forms with MCCIL to meet their minimum liquid net worth requirement, base minimum capital requirement, core settlement guarantee fund (Core SGF) contribution requirement, membership requirement and margin requirements.

6 The total value of liquid assets (cash and non-cash) maintained by the Clearing Members with MCCIL in addition to their Core SGF Contribution as on March 31, 2018 amounts to INR 340.01 crore (previous year: INR 492.40 crore).

49 SEBI in its order dated March 19, 2014 stated that 63 moons technologies limited (Formerly known as Financial Technologies (India) Limited) is not a 'fit and proper person' to acquire or hold any equity share or any instrument that provides for entitlement for equity shares or rights over equity shares at any future date, in a recognized stock exchange or clearing corporation, either directly or indirectly and directed them to divest equity shares held in MCCIL, directly or indirectly, within 90 days of the order. In the same order, SEBI also stated that 63 moons technologies limited (Formerly known as Financial Technologies (India) Limited) and entities through whom it indirectly holds equity shares or any instrument entitling voting rights in MCCIL shall cease to be entitled to exercise voting rights in respect of those shares or instruments with immediate effect. The Securities Appellate Tribunal (SAT) has since its order dated July 09, 2014 upheld the decision of SEBI. SEBI had vide its letter dated September 29, 2014 directed the Company to comply with the shareholding requirements of SECC Regulations and SEBI's direction issued vide order dated March 19, 2014 with regard to entities which have been declared not 'fit and proper' person. Further the Company sent multiple letters to 63 moons technologies limited (Formerly known as Financial Technologies (India) Limited) regarding divestment of their stake in the Company; in reply to these letters 63 moons technologies limited (Formerly known as Financial Technologies (India) Limited) informed us that they are in search of the suitable buyer to acquire their stake in the Company.

50 Balances grouped under Non-Current and Current Liabilities and Non-Current and Current Assets in certain cases are subject to confirmation and reconciliation from respective parties. Impact of the same, if any, shall be accounted as and when determined.

51 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

52 First time adoption of Ind AS

These are the Group's first financial statement prepare in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements as of and for the year ended March 31, 2017 in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and Investment Property covered by Ind AS 40 Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.1.2 Investment in Subsidiaries, Associate and Joint Venture

Ind AS 101 permits a first time adopter to measure it's investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be it's fair value at the Company's date of transition to Ind AS, or previous GAAP carrying amount at that date.

The Company has elected to measure its investment in subsidiaries, associate and joint venture at the previous GAAP carrying amount as its deemed cost on the transition date.

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistence with estimates made in for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were errors.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in mutual funds carried at FVTPL:

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, classification and measurement of investments has been based on the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliations

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

A. Reconciliation of Equity as at April 1, 2016 and as at March 31, 2017

B. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

C. Reconciliation of Statement of Statement of Cash flow for the year ended 31st March, 2017

A: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (31 March 2017 and 1 April, 2016) (Amount in Rs.)

Particulars	Notes to first-time adoption	As at 31 March 2017 Comparative financials			As at 1 April 2016 Date of Transition		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
ASSETS							
1 Non-Current Assets							
(a) Property, plant and equipment		11,47,52,049	-	11,47,52,049	17,12,53,639	-	17,12,53,639
(b) Intangible assets		52,05,66,794	-	52,05,66,794	52,30,07,028	-	52,30,07,028
(c) Intangible asset under development		1,88,85,749	-	1,88,85,749	50,00,000	-	50,00,000
(d) Financial assets							
i. Investments							
a. Investment in subsidiaries		-	-	-	-	-	-
ii. Other Financial Assets	2	1,57,46,53,308	(73,09,374)	1,56,73,43,934	1,17,74,02,760	(81,63,332)	1,16,92,39,428
(e) Income tax assets (net)		22,82,15,919	-	22,82,15,919	22,60,58,093	-	22,60,58,093
(f) Other non-current assets		36,25,18,282	-	36,25,18,282	36,54,02,665	-	36,54,02,665
2 Current Assets							
(a) Financial assets							
i. Investments	1	17,26,44,932	1,39,402	17,27,84,334	36,75,46,914	5,79,439	36,81,26,353
ii. Trade receivables		60,63,655	-	60,63,655	33,11,902	-	33,11,902
iii. Cash and cash equivalents		4,59,58,958	-	4,59,58,958	1,50,45,661	-	1,50,45,661
iv. Bank balance other than (iii) above		41,24,00,000	-	41,24,00,000	69,23,85,702	-	69,23,85,702
v. Other financial assets		6,66,19,818	-	6,66,19,818	6,98,23,886	-	6,98,23,886
(b) Current tax assets (Net)		2,74,87,723	-	2,74,87,723	12,04,58,193	-	12,04,58,193
(c) Other assets		8,17,07,837	-	8,17,07,837	24,73,85,120	-	24,73,85,120
Total		**3,63,24,75,024**	**(71,69,972)**	**3,62,53,05,052**	**3,98,40,81,562**	**(75,83,892)**	**3,97,64,97,670**
EQUITY AND LIABILITIES							
3 Equity							
(a) Share capital		2,45,95,56,243	-	2,45,95,56,243	1,94,16,76,830	-	1,94,16,76,830
(b) Other Equity		(56,90,34,539)	(92,14,532)	(57,82,49,071)	16,81,68,429	(75,83,892)	16,05,84,537
Total Equity		**1,89,05,21,704**	**(92,14,532)**	**1,88,13,07,172**	**2,10,98,45,259**	**(75,83,892)**	**2,10,22,61,367**
Liability							
4 Non-Current Liabilities							
(a) Financial Liabilities							
i. Other Financial Liabilities		69,57,19,213	-	69,57,19,213	72,17,43,413	-	72,17,43,413
(b) Short term provisions		44,26,505	-	44,26,505	54,29,530	-	54,29,530
Total Non-Current Liabilities		**70,01,45,718**	**-**	**70,01,45,718**	**72,71,72,943**	**-**	**72,71,72,943**
5 Current Liabilities							
(a) Financial liabilities							
i. Borrowing		-	-	-	5,02,07,650	-	5,02,07,650
ii. Trade payables							
a. Total outstanding dues of micro, small and medium enterprises		-	-	-	-	-	-
b. Total outstanding dues to creditors other than micro, small and medium enterprises		5,51,77,092	-	5,51,77,092	9,43,36,479	-	9,43,36,479
iii. Other financial liabilities		70,67,37,913	-	70,67,37,913	72,27,85,631	-	72,27,85,631
(b) Other current liabilities	2	4,08,61,771	20,44,560	4,29,06,331	4,26,64,040	-	4,26,64,040
(c) Short term provisions		33,70,441	-	33,70,441	11,61,237	-	11,61,237
Total		**3,39,68,14,638**	**(71,69,972)**	**3,38,96,44,666**	**3,74,81,73,239**	**(75,83,892)**	**3,74,05,89,347**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

B: Reconciliation of total comprehensive income for the year March 31, 2017

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Income				
(a) Revenue from operations		17,05,69,700	-	17,05,69,700
(b) Other income	1,2	19,28,53,244	4,13,920	19,32,67,164
Total Revenue		**36,34,22,944**	**4,13,920**	**36,38,36,864**
Expenditure				
(a) Operating expenses		18,21,31,388	-	18,21,31,388
(b) Employee benefits expense	3	16,95,84,486	(7,70,241)	16,88,14,245
(c) Finance costs		29,66,616	-	29,66,616
(d) Advertisement and Business Promotion Expenses		4,05,29,766	-	4,05,29,766
(e) Depreciation and amortisation expense		13,94,89,170	-	13,94,89,170
(f) Other expenses	2	15,36,86,049	20,44,560	15,57,30,609
Total Expenses		**68,83,87,475**	**12,74,319**	**68,96,61,794**
Profit / (Loss) before tax		(32,49,64,531)	(8,60,399)	(32,58,24,930)
Less : Provision for taxation		-	-	-
Profit / (Loss) for the year		(32,49,64,531)	(8,60,399)	(32,58,24,930)
Minority Interest		(21,05,314)	-	(21,05,314)
Other comprehensive income / (Expenses)	3	-	(7,70,241)	(7,70,241)
Total comprehensive income		(32,70,69,845)	(16,30,640)	(32,87,00,485)

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes to first-time adoption	as at 31 March 2017	as at 1 April 2016
Total equity (shareholder's fund) as per previous GAAP		**1,89,05,21,704**	**2,10,98,45,259**
Adjustments:			
Fair valuation of investments through profit and loss account	1	1,39,402	5,79,439
Lease equilisation	2	(20,44,560)	-
Fair valuation of Deposits	2	(81,63,332)	(81,63,332)
Income recognition on interest free deposit	2	8,53,958	-
Total adjustments		**(92,14,532)**	**(75,83,892)**
Total equity as per Ind AS		**1,88,13,07,172**	**2,10,22,61,367**

Reconciliation of total comprehensive income

Particulars		Notes to first-time adoption	2016 - 2017
Profit after tax as per previous GAAP			**(32,70,69,845)**
Adjustments:			
Fair valuation of Investments through profit and loss account		1	(4,40,038)
Lease equilisation		2	(20,44,560)
Measurement of Employees Benefits		3	7,70,241
Income recognition on interest free deposit		2	8,53,958
Total adjustments			**(8,60,399)**
Profit after tax as per Ind AS			**(32,79,30,244)**
Total Other Comprehensive Income, net of tax		**3**	**(7,70,241)**
Total Comprehensive Income as per Ind AS			**(32,87,00,485)**

Note 1: Investments in Mutual Funds

Under the previous GAAP, investments in mutual funds were classified as current investments based on the intended holding period and reliability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in other equity as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs 1,39,402.

Note 2: Fair valuation of Lease Rent and Deposit

"Under Previous GAAP, the rent paid to a office lease service provider for office space, has been charged to profit and loss accounts in the year in which it is contractually payable. Under Ind AS, such charges paid have been recognized on a straight line basis over the contractual term. As a result of this change, the profit for the year ended March 31, 2017 decreased by Rs 20,44,560.

Deposit for lease of office premises, fair valued using discounting and unwind of discounting recorded as finance income."

Note 3: Re-measurement of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs 4,69,840.

53 Additional information required under companies Act, 2013

Name of the Entity	Net Asset		Share in Profit / Loss	
	% of total Consolidated	Amount	% of total Consolidated	Amount
Parent				
Metropolitan Stock Exchange of India Limited	26.12	1,15,54,14,621	101.70	(55,46,64,103)
Subsidiary				
a) MCX-SX Clearing Corporation Limited	71.03	3,14,22,15,473	(1.64)	89,26,759
b) MCX-SX KYC Registration Agency Limited	0.01	2,74,977	0.00	(20,695)
Minority Interest	2.84	12,57,36,498	(0.07)	3,67,864
Total	**100.00**	**4,42,36,41,570**	**100.00**	**(54,53,90,175)**

As per our report of even date

For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

Pramod Tilwani
Partner
Membership No.76650

Mumbai
Dated : May 10, 2018

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Dinesh Kumar Mehrotra
Chairman
DIN : 00142711

Udai Kumar
Managing Director & Chief Executive Officer
DIN : 06750460

Kunal Sanghavi
Chief Financial Officer

ARBITRATION PROGRAMME

IAP event held at Hyderabad on 27th July 2018

IAP event held at Kolkata on 15th December 2017

METROPOLITAN STOCK EXCHANGE

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