



METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

Registered Office: 205(A), 2nd Floor, Piramal Agastya Corporate Park, Kamani Junction,
L.B.S. Road, Kurla (West), Mumbai – 400070, Maharashtra, India
CIN: U65999MH2008PLC185856, LEI: 3358002YCEYDX7UK4352
Tel. +91 22 6112 9000/ Website: www.msei.in/ E-mail: secretarial@msei.in

NOTICE OF 13TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 13th Annual General Meeting of Shareholders of Metropolitan Stock Exchange of India Limited will be held on Monday, December 20, 2021 at 2:30 P.M. (IST) through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2021 and the Reports of the Board of Directors and Statutory Auditors thereon

SPECIAL BUSINESS(ES):

- 2) **To consider and approve appointment of Mr. Raghunathan Srinivasa (DIN: 07615088), as Shareholder Director on the Board of the Company**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT based on the recommendation of Nomination and Remuneration Committee, approval of the Board of Directors of the Company and pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as may be amended from time to time and subject to approval of the Securities and Exchange Board of India (**SEBI**) and other regulatory approvals in this regard as may be necessary and subject to such condition(s) and modification(s) as may be prescribed and imposed by such authorities while granting such approval(s), permission(s) and sanction(s), Mr. Raghunathan Srinivasa (DIN:07615088) who has consented to act as a Director, is eligible for appointment and in respect of whom the Company has received a Notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company in Shareholder Director category, liable to retire by rotation.

RESOLVED FURTHER THAT any one of the Directors and/ or Managing Director & CEO and/ or Chief Financial Officer and/ or Chief Regulatory Officer & Compliance Officer and/ or Head- Legal & Company Secretary and/ or Assistant Vice President (Legal & Secretarial) of the Company be and are hereby authorized to do all acts, deeds and things necessary to give effect to the above resolution.”

- 3) **To consider and amend Memorandum of Association as per Companies Act, 2013**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**.

“RESOLVED THAT pursuant to the provisions of Sections 4 and 13 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the Table A of the Schedule I of the Act, and subject to applicable Regulatory approvals including Securities & Exchange Board of India (SEBI) and in order to align it with the requirement of the Companies Act, 2013 and the rules made thereunder, consent of the members be and is hereby accorded for alteration in the Memorandum of Association of the Company accordingly, all the clauses contained in Clause III (C) (Other Objects) shall be incorporated in Clause III(B) (‘Objects incidental or ancillary to the attainment of the Main Objects’) and consequently changing the object numbering as may be

appropriate.

RESOLVED FURTHER THAT in accordance with the Table A of the Schedule I of the Act, the Clauses III(A) and III (B) of the Memorandum of Association of the Company, be renamed as under:

“Clause III (A) – THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:” “Clause III (B) – MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) are:”

RESOLVED FURTHER THAT clauses B (21), B (25), B (29) and B (41) of the Memorandum of Association be modified to replace “Companies Act, 1956” with “Companies Act, 2013”.

RESOLVED FURTHER THAT any one of the Directors and/ or Managing Director & CEO and/ or Chief Financial Officer and/ or Chief Regulatory Officer & Compliance Officer and/ or Head- Legal & Company Secretary and/ or Assistant Vice President (Legal & Secretarial) of the Company be and are hereby authorized to do all acts, deeds and things necessary to give effect to the above resolution including but not limited to filing the requisite forms with Ministry of Corporate Affairs (**MCA**) and submission of documents with any other authority and incorporation of amendment/ suggestion/ observation made by the Registrar of Companies (**ROC**) and Securities Exchange Board of India (**SEBI**), to the extent applicable, without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

4) To consider and amend Articles of Association as per Companies Act, 2013

To consider and, if thought fit, to pass the following resolution with or without modifications as a **Special Resolution**.

“**RESOLVED THAT** pursuant to the provisions of Sections 5 and 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any amendments, variations, Statutory modification(s), re-enactments thereof) and in order to align it with the requirement of the provisions of the Companies Act, 2013, and subject to approval of Securities & Exchange Board of India (**SEBI**) consent of the shareholders be and is hereby accorded for alteration/ deletion/ substitution in the existing Articles of the Association as set out in the Explanatory Statement for this resolution.

RESOLVED FURTHER THAT any one of the Directors and/ or Managing Director & CEO and/ or Chief Financial Officer and/ or Chief Regulatory Officer & Compliance Officer and/ or Head- Legal & Company Secretary and/ or Assistant Vice President (Legal & Secretarial) of the Company be and are hereby authorized to do all acts, deeds and things necessary to give effect to the above resolution including but not limited to filing the requisite forms with Ministry of Corporate Affairs (**MCA**) and submission of documents with any other authority and incorporation of amendment/ suggestion/ observation made by the Registrar of Companies (**ROC**) and SEBI, to the extent applicable, without being required to seek any further consent or approval of the Members of the Company or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

5) Re-appointment of Ms. Trishna Guha (DIN: 08200779) as an (Independent Director) Public Interest Director of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**.

“**RESOLVED THAT** in accordance with the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“**Act**”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“**SECC Regulations, 2018**”), SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), as amended from time to time and Articles of Association of the Company, and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and approval of the Securities and Exchange Board of India vide its letter dated September 22, 2021, Ms. Trishna Guha

(DIN: 08200779) who was appointed as an Independent Director of the Company for a three (3) year term up to October 3, 2021 by the Shareholders, and who meets the criteria for independence as provided in Section 149(6) of the Act, Ms. Guha has submitted a declaration to that effect, is eligible for appointment as an Independent Director of the Company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company for a second term of Three (3) consecutive years with effect from October 4, 2021 to October 3, 2024 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/ or Managing Director and Chief Executive Officer and/ or Chief Financial Officer and/or Chief Regulatory Officer & Compliance Officer and/or Head-Legal & Company Secretary and/ or Assistant Vice President (Legal & Secretarial) be and are hereby severally authorized to take necessary steps as may be required to give effect to the above resolution and matters related thereto.”

6) Re-appointment of Mr. S.V.D. Nageswara Rao (DIN: 02105323) as an (Independent Director) Public Interest Director of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution.

“RESOLVED THAT in accordance with the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as **“SECC Regulations, 2018”**), SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**) as amended from time to time and Articles of Association of the Company, and in terms of the approval of the Securities and Exchange Board of India vide its letter dated September 22, 2021, and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. S.V.D. Nageswara Rao (DIN:02105323) who was appointed as an Independent Director of the Company for a three (3) year term up to October 3, 2021 by the Shareholders, and who meets the criteria for independence as provided in Section 149(6) of the Act and has submitted a declaration to that effect, is eligible for appointment as an Independent Director of the Company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company for a second term of Three (3) consecutive years with effect from October 4, 2021 to October 3, 2024 and shall not be liable to retire by rotation.

RESOLVED FURTHER THAT any Director and/ or Managing Director and Chief Executive Officer and/ or Chief Financial Officer and/or Chief Regulatory Officer & Compliance Officer and/ or Head-Legal & Company Secretary and/ or Assistant Vice President (Legal & Secretarial) be and are hereby severally authorized to take necessary steps as may be required to give effect to the above resolution and matters related thereto.”

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

Sd/-

**Manisha Thakur
Head - Legal & Company Secretary
ACS 10855**

Date: November 12, 2021

Place: Mumbai

Notes:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“**Act**”) in respect of the special businesses to be transacted under Item nos. 1 to 6 of the Notice is annexed hereto.
2. All the documents referred to in the accompanying Notice and Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to secretarial@msei.in
3. In view of the COVID-19 pandemic and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, SEBI circular no SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as “**Circulars**”) physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (**VC**) or other audio visual means (**OAVM**). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice.
6. The Company has engaged the services of National Securities Depository Limited (**NSDL**), as the authorized agency for conducting the e-AGM and providing remote e-voting and e-voting facility for/during the 13th AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.
7. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 205(A), 2nd Floor, Piramal Agastya Corporate Park, Kamani Junction, L.B.S Road, Kurla (West), Mumbai - 400070 which shall be the deemed venue of AGM.
8. In compliance with the Circulars, copies of Annual Report for Financial Year 2020-21, the Notice of the AGM and instructions for remote e-voting/ e-voting are being sent in electronic mode to those Shareholders whose email addresses are registered with Registrar/ Depository Participant(s) (**DP**). The copy of Annual Report along with the Notice is also available on Company’s website at www.msei.in/about-us/financials and <https://www.evoting.nsdl.com> (agency providing e-voting facility).
9. Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body resolution/ authorization etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through e-voting during the AGM. The said resolution/ authorization shall be sent through the registered email address to the Scrutinizer at ramakant.kini@sterlingassociates.in and/ or on evoting@nsdl.co.in (agency providing e-voting facility). Institutional/ Corporate Shareholders are encouraged to attend and vote at the AGM through VC/ OAVM.
10. Trading Members or their associates and agents as on cut-off date shall not be eligible to vote on Item No. 2 of the Notice.
11. Pursuant to Regulation 46 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the securities of a Recognized Stock Exchange are required to be maintained in Demat mode. Further, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), securities of listed companies can only be transferred in Demat mode w.e.f. April 1, 2019. 100% of the securities of the Exchange are held in Demat mode.
12. Members who have not yet registered their e-mail addresses are requested to register the same with their DP in case the shares are held by them in demat mode.

13. To register e-mail address for all future correspondence and for updating other details, please get the details registered/updated only by contacting respective DP.
14. SEBI has mandated submission of Permanent Account Number (**PAN**) by every participant in the securities market. Members holding shares in demat mode are, therefore, requested to submit their PAN to their DP.
15. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same with their DP in case the shares are held by them in demat mode.
16. M/s. T. R. Chadha & Co., LLP, Chartered Accountants, Mumbai, bearing Firm Registration No. 006711N/N500028 with the Institute of Chartered Accountants of India were appointed as the Statutory Auditors of the Company for a period of 5 (five) years at 11th Annual General Meeting of the Company held on September 23, 2019. Pursuant to the Companies (Amendment) Act, 2017 effective from May 07, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the applicable Section 139 of the Companies Act, 2013. Hence, owing to the appointment of the Statutory Auditor for a period of 5 (five) years and the aforesaid amendment, the same is not put forward before the Members of the Company for their approval.
17. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act
18. 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 the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection electronically from 2:30 P.M till the conclusion of the meeting on the date of AGM. Once clicked on the link for inspection, window of 30 minutes will be made available to the concerned member.
19. The term 'Members' has been used to denote Shareholders of Metropolitan Stock Exchange of India Limited.
20. The Audited Accounts of the Company and its subsidiary Companies are available on the Company's website at link www.msei.in/about-us/financials.

21. PROCEDURE AND INSTRUCTIONS FOR E-VOTING

1. Shareholders will be able to attend the Meeting through VC/OAVM by using their remote e-voting login credentials and selecting the EVEN for the Meeting. The facility to join the Meeting shall be kept open 30 minutes before the scheduled time of commencement of the Meeting. Shareholders are requested to join the Meeting by following the procedure given in this Notice
2. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for Access to NSDL e-Voting system. After successful login, you can see link of "**VC/OAVM link**" placed under "**Join General meeting**" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
4. Members are requested to join the Meeting through Laptops for better experience and will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended

to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.

- Members facing any technical issue in login before / during the AGM can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

- Speaker Registration prior to AGM: As the Meeting is being conducted through VC / OAVM, Shareholders can express their views/ send their queries in advance mentioning their name, DP Id / Client Id / Folio Number, and mobile number to secretarial@msei.in to enable smooth conduct of Meeting. Member may register themselves as speakers for the AGM to post their queries and speaker registration shall commence on Wednesday, December 15, 2021 at 9:00 A.M and closes on Friday, December 17, 2021 at 5:00 P.M. Those Members who have registered themselves as a speaker will only be allowed 2 minutes time each to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.
- When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

- Pursuant to 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 Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.msei.in/about-us/financials. The Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e., Monday, December 13, 2021 shall only be entitled to attend and vote at the AGM. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
- Any person who acquires shares of the Company and becomes Member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Monday, December 13, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Monday, December 13, 2021, may follow steps mentioned in the Notice of the AGM under **Step 1 :“Access to NSDL e-Voting system”**.
- The remote e-voting period commences on Thursday December 16, 2021 (9:00 A.M. IST) and ends on Sunday, December 19, 2021 (5:00 P.M. IST). During this period, Members of the Company, holding shares as on the cutoff date i.e., Monday, December 13, 2021, may cast their vote by remote e-voting. The remote e-voting module shall be

disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting.

30. **Procedure and instruction for attending AGM through VC/ OAVM, remote E Voting and E-VOTING at the AGM**

The remote e-voting period begins on Thursday, December 16, 2021 at 09:00 A.M. and ends on Sunday, December 19, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Monday, December 13, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, December 13, 2021.

1. **The procedure and instructions for remote e-voting are given below:**

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type Helpdesk details	Login type Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as

shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical:	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if your folio number is 001*** and EVEN is 101456 then your user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'? (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'. (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

a. How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

b. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to secretarial@msei.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@msei.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

c. The instructions for Members for E-Voting on the day of the AGM are as under: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
 2. Only those Members/ shareholders, who will be present for the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
 3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
 4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
31. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
32. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

Declaration of Voting Results:

33. 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 Scrutinizer will submit the report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result will also be displayed on the website of the Company www.msei.in/about-us/announcements and <https://www.evoting.nsdl.com> (agency providing e-voting facility).
34. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
35. To enable ease of participation of the Members, we are providing below the key details regarding the meeting for your reference.

Sr. No.	Particulars	Details
1	Cut-off date for e-Voting	Monday, December 13, 2021
2	For updating Email ID & other details before the Cut-off date for e-Voting	Refer point no. 13
3	Time period for remote e-Voting	Commences on Thursday, December 16, 2021 at 9:00 AM Ends on Sunday, December 19, 2021 at 5:00 PM
4	Speaker Registration/ Post your Queries	Refer point no. 22

By Order of the Board of Directors
For Metropolitan Stock Exchange of India Limited
 Sd/-
Manisha Thakur
Head - Legal & Company Secretary
ACS 10855

Date: November 12, 2021

Place: Mumbai

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013
Item No. 1 :

In terms of Section 129 of the Companies Act, 2013, the Company submits its standalone and consolidated financial statements for the financial year under review for adoption by members at the Annual General Meeting.

The Board of Directors on the recommendation of the Audit Committee, has approved the standalone and consolidated financial statements for the financial year ended 31st March, 2021.

Detailed elucidation of the financial statements have been provided under various sections of the Annual Report, including the Board's Report and the Management Discussion & Analysis.

The standalone and consolidated financial statements of the Company along with the reports of the Board of Directors and Auditor thereon:

- Have been sent to the members on their registered email address
- Have been uploaded on the website of the Company, i.e. www.msei.in/about-us/financials.

In case members have any query or question on the financial statements, they are requested to send their queries/questions to the Company Secretary at the email ID secretarial@msei.in by Friday, December 17, 2021 5:00 P.M. to enable the management to respond to these queries objectively at the AGM.

The Board recommends the resolutions at Item No. 1 for approval of the members as Ordinary Resolution.

None of the directors and key managerial personnel and their relatives are in any way, financially or otherwise, interested or concerned in these resolutions except as a member to the extent of their shareholding in the Company.

Item No. 2:

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on November 09, 2021 approved and recommended the appointment of Mr. S. Raghunathan (DIN: 07615088) as a Shareholder Director, subject to approval of the Shareholders and Securities and Exchange Board of India (SEBI). The Company has received all statutory disclosures/ declarations from Mr. S. Raghunathan. The Company has received a notice in writing from a Shareholder under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

In the opinion of the Board, Mr. S. Raghunathan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as Shareholder Director of the Company and is independent of the Management.

Mr. S. Raghunathan is a qualified as M. Com, PGDBM (XLRI), LLB, CAIIB. He joined Canara Bank as a direct recruit before joining Stock Holding Corporation of India Limited in its operations team. Thereafter, he has worked with UTI Investment Services Limited in its Investment Management function, followed by TCS Limited as an Associate Consultant in its Domain consultancy in Banking, Financial Services (USA and Europe). He has also worked with CAMS Pvt. Limited in its Investor Services role and has also worked at IFMR Trust for fund raising, worked at Central Depository Services Limited in Business Development, risk and regulatory policy. His last experience was in establishing National E-Governance Services Limited, a first information utility under the Insolvency and Bankruptcy Code. Currently, Mr. S. Raghunathan is practicing as an Advocate in Hon'ble High Court of Karnataka and works with C. S. Parthasarthy, Senior Advocate and Tax Consultant. A detailed profile of Mr. S. Raghunathan is available on the website of the Company www.msei.in/about-us/financials. Information as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and the Secretarial Standard – 2 and other applicable provisions are provided in the Explanatory Statement.

Mr. S. Raghunathan shall be liable to retire by rotation and the applicable terms and conditions as mentioned under Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be applicable to him.

Mr. S. Raghunathan shall be entitled to receive sitting fees. Mr. S. Raghunathan is not related to any Director or Key Managerial Personnel of the Company and does not hold any equity shares of the Company.

Except Mr. S. Raghunathan, none of the directors and key managerial personnel and their relatives are in any way, financially or otherwise, interested or concerned in these resolutions except as a member to the extent of their shareholding in the Company.

Trading Members or their associates and agents as on cut-off date shall not be eligible to vote on Item No. 2 of the Notice. Based on the recommendation of the Nomination and Remuneration Committee and considering his rich and varied experience, the Board recommends appointment of Mr. S. Raghunathan, as set out in the resolution in Item no. 2, for approval of the members as an Ordinary Resolution. The appointment of Mr. S. Raghunathan will be effective post approval of Securities and Exchange Board of India.

Item No. 3:

The Companies Act, 2013, has revised the format of Memorandum of Association (“MOA”) for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to alter the MOA of the Company by merging Objects under Clause III (C) – 'Other Objects' with Clause III (B) – 'Objects Incidental or Ancillary to the attainment of the Main Objects'

It is also proposed to rename Clause III (A) as “THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:” and Clause III (B) of the Object Cause as “MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) are:” and numbering appropriately. This will result in the existing clause III (C) – Other objects of the Memorandum of Association of the Company to be deleted in its entirety. Additionally, wherever there is reference to the erstwhile Companies Act, 1956, it has been replaced with Companies Act, 2013.

As per SECC Regulations, the proposed amendment/s shall first be approved by the governing board of the stock exchange, followed by shareholders approval (wherever applicable), then shall be submitted to SEBI for approval and then published in the Gazette of India (wherever applicable) and the respective State.

The Board at its meeting held on June 22, 2021 has approved alteration of the MOA of the Company and the Board now

seek Members' approval for the same.

The draft of the Memorandum of Association of the Company is available on website of the Exchange at www.msei.in/about-us/financials. The Amendment shall be effective upon the registration of the Resolution with the Registrar of the Companies. The proposed change of object clause requires the approval of shareholders through Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013.

The Board of Directors recommends the resolution set forth in item No. 3 for the approval of the Members as **Special Resolution**.

None of the directors and key managerial personnel and their relatives are in any way, financially or otherwise, interested or concerned in these resolutions except as a member to the extent of their shareholding in the Company.

Item No. 4:

The existing Articles of Association (**AOA**) are based on the Companies Act, 1956. Hence, the existing AOA contains references to specific sections of the Companies Act, 1956 and few Articles need to conform with the Companies Act, 2013 and the rules made thereunder. Therefore, it is considered expedient to modify the AOA as stated below:

S. No.	Article	Current Articles of Association	Proposed Amendments to Articles of Association	Reasons for modifications
1	Article 1	<p>Proposed to be deleted</p> <p>“Table A not to apply</p> <p>1. The Regulations contained in Table ‘A’ of the First Schedule to the Companies Act, 1956 shall not apply to the Company except in so far as they are embodied in the following Articles.”</p>	<p>Proposed to be inserted</p> <p>“TABLE-F TO APPLY</p> <p>The regulations contained in Table F in the First Schedule to the Companies Act, 2013 shall apply to the Company in respect of any matter which is provided for therein but is not provided for herein. In case of any inconsistency between these Articles and Table F and the Companies Act shall apply.</p> <p>These Articles are to be read in conjunction with the provisions of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 as amended, along with circulars issued by Securities and Exchange Board of India from time to time.”</p>	To align with the provisions of Companies Act, 2013 and Securities Contracts Regulation (Stock Exchange & Clearing Corporation) Reg., 2018
2	Article 3(a)	<p>Proposed to be Deleted</p> <p>“‘The Act’ or ‘The Companies Act’ means the Companies Act, 1956 and includes where the context so admits any re-enactment or statutory modification thereof for</p>	<p>Proposed to be replaced with:</p> <p>‘The Act’ or ‘The Companies Act’ means the Companies Act, 2013 and includes all rules made thereunder, clarifications, circulars, notifications and every statutory</p>	To replace provisions of Companies Act, 1956 with Companies Act, 2013 as amended from time to time

S. No.	Article	Current Articles of Association	Proposed Amendments to Articles of Association	Reasons for modifications
		the time being in force.”	modification or replacement thereof for the time being in force.	
3	Article 2, 3, 8, 10, 11, 12, 14, 15, 18, 19, 20, 22, 23, 24, 27, 28, 29, 30, 34, 37, 39, 40, 41, 42, 43, 48, 51, 53, 54, 57, 64, 65, 72, 96 and 97	To delete the old section numbers under Companies Act, 1956 and delete the year “1956”.	Proposed to delete old section numbers and the year “1956”.	To align with Companies Act, 2013
4	Article 8 (a)	Further Issue of Capital Struck off portion is proposed to be deleted: “Where at the time after the expiry of two years from the formation of the Company or at any time after expiry of one year from the allotment of the shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company..	Further Issue of Capital Struck off portion is proposed to be deleted:	To align with Section 62 Companies Act, 2013
5	Article 12	Variation of rights Struck off portion is proposed to be replaced: The necessary quorum shall be two (2) persons at least holding one tenth of the issued shares of the class.	Variation of rights Struck off portion is proposed to be replaced with: The necessary quorum shall be as per Companies Act.	To align with Companies Act, 2013
6	Article 19	Buy Back of its own shares Struck off portion is proposed to be replaced “or (subject to the compliance with the provision of Section 79 of ***the Act) at a discount”	Buy Back of its own shares Proposed to delete the words “at discount”	To align with Section 68 Companies Act, 2013
7	Article 29	Quorum Struck off portion is proposed to be deleted: “Five (5) Shareholders personally present shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the time when the meeting proceeds to	Quorum Struck off portion is proposed to be deleted	To align with Section 174 Companies Act, 2013

S. No.	Article	Current Articles of Association	Proposed Amendments to Articles of Association	Reasons for modifications
		<p>business.”</p> <p>Proposed to be deleted: “Provided that in a general meeting where shareholders are allowed to participate through electronic mode, the quorum shall be physically present at the place of the meeting.”</p> <p>Proposed to be deleted: <u>Chairman of General Meeting</u> (Provided that is a general meeting where shareholders are allowed to participate through electronic mode, the Chairman of the meeting shall be physically present at the place of the meeting.)</p>	<p>Article is proposed to be deleted</p> <p>Article is proposed to be deleted</p>	
8	Article 31.3.1	<p><u>Board of Directors</u></p> <p>Proposed to be deleted</p> <p>The Board of Directors shall consist of not more than 18 (eighteen) members constituted as per the directions of SEBI from time to time</p>	<p><u>Board of Directors</u></p> <p>Proposed to be replaced with following:</p> <p>The Board of Directors shall consist of not more than 15 (fifteen) members constituted as per the directions of SEBI from time to time</p>	To align with Section 149 Companies Act, 2013
9	Article 38	<p><u>Alternate Director</u></p> <p>Struck off portion is proposed to be deleted</p> <p>a) The Board may appoint as an Alternate Director for a Director (hereinafter called the Original Director) during the Original Director’s absence for a period of not less than three (3) months from the State in which the meetings of the Board are ordinarily held.</p> <p>b) An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been</p>	<p><u>Alternate Director</u></p> <p>Proposed to be modified as highlighted below:</p> <p>a) The Board may appoint as an Alternate Director for a Director (hereinafter called the Original Director) during the Original Director’s absence for a period of not less than three (3) months from India.</p> <p>b) An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate</p>	To align with Section 161 Companies Act, 2013

S. No.	Article	Current Articles of Association	Proposed Amendments to Articles of Association	Reasons for modifications
		<p>appointed and shall vacate office if and when the Original Director returns to the State in which the meetings of the Board are ordinarily held.</p> <p>d) If the term of office of the Original Director is determined before he returns to the State in which the meetings of the Board are ordinarily held, any provision in the Act or in these Articles for the automatic re-appointment of Retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.</p>	<p>office if and when the Original Director returns to India.</p> <p>d) If the term of office of the Original Director is determined before he returns to India, any provision in the Act or in these Articles for the automatic re-appointment of Retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.</p>	
10	Clause 65	<p>Proposed to be deleted</p> <p>“Other powers to be exercised only at Board Meeting</p> <p>“The Board shall exercise the powers referred to in Sections 262, 292, 297, 316, 372A and 386 of the Act only at the meeting of the Board.”</p>	Proposed to be deleted	Already covered in clause 64 of the Articles of Association
11	Foot note	----	<p>Proposed to be added as a footnote post receipt of necessary regulatory approvals:</p> <p>The Company, pursuant to SEBI Approval letter No. [] dated [] and Letter No. [] dated [] and the approval of members vide special resolution passed at the AGM held on [] has carried out amendments to its Articles of Association by way of addition/ deletion/ substitution of words and clauses in the marked clauses and subsequently renumbered. Accordingly the amended Articles of Association reflects the Clauses as approved by SEBI.</p>	Footnote to be incorporated post approval of amendments

As per SECC Regulations, the proposed amendment/s shall first be approved by the governing board of the stock exchange, followed by shareholders' approval (wherever applicable), then shall be submitted to SEBI for approval and then published in the Gazette of India and the respective State (wherever applicable).

Based on Management's recommendations, the Board of Directors vide their resolution passed at their meeting held on June 22, 2021 accorded their consent pursuant to Section 14 of the Companies Act, 2013 for amending/ adding/ substituting/ deletion of the articles which are inconsistent as per the new Act, subject to the shareholders' approval.

The resolution seeks approval of members by amending/adding/substituting/deletion and modifying the existing Articles of Association to bring consistency with the applicable provisions of the Act and the rules made thereunder. The proposed draft AOA is being uploaded on the Company's website at www.msei.in/about-us/financials for perusal by the Members.

None of the directors and key managerial personnel and their relatives are in any way, financially or otherwise, interested or concerned in these resolutions except as a member to the extent of their shareholding in the Company.

The Board of Directors recommends the resolution set forth in item No. 4 for the approval of the Members as **Special Resolution**.

Item No. 5:

Ms. Trishna Guha had completed her first term as Public Interest Director on October 3, 2021. Approval for the first term was granted by NRC, Board, SEBI as well as the Shareholders, at the AGM held on September 23, 2019.

Pursuant to the provisions of the Companies Act, 2013, SECC Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**Listing Regulations**"), an Independent Director shall hold office for a term of three consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

Based on the knowledge, acumen, experience, expertise, report of Internal as well as External performance evaluations and substantial contribution made by Ms. Guha during her tenure, the Nomination & Remuneration Committee recommended and Board at their meeting held on June 22, 2021 recommended to SEBI her re-appointment. Ms. Guha is not disqualified from being appointed as Director in terms of Section 164 of the Act and meets the criteria for independence as provided in Section 149(6) of the Act and SECC Regulations, 2018 along with the rules framed thereunder, and has submitted necessary declarations to that effect. Upon receipt of approval for re-appointment from Securities and Exchange Board of India vide letter dated September 22, 2021, the Board vide circular resolution dated September 28, 2021 approved the re-appointment of Ms. Trishna Guha as Independent Director (Public Interest Director) for a second term of 3 (three) consecutive years, commencing from October 4, 2021 to October 3, 2024, not liable to retire by rotation.

Her re-appointment is subject to the approval of the Shareholders at this Annual General Meeting by way of a Special Resolution. The Company has received a notice in writing from a Shareholder under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Independent Director of the Company.

In the opinion of the Board, Ms. Guha fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Listing Regulations for her re-appointment as an Independent Director of the Company and is independent of the Management. A copy of the letter for re-appointment of Ms. Guha as an Independent Director setting out the terms and conditions would be available for inspection in the manner specified in the Notice up to the date of the Annual General Meeting.

The Board considers that her association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Ms. Guha as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Ms. Guha as an Independent Director, for the approval by the Shareholders of the Company as **Special Resolution**.

Except for Ms. Guha, being the appointee, none of the directors and key managerial personnel and their relatives are in any way, financially or otherwise, interested or concerned in these resolutions set out at Item no. 5 except as a member to the extent of their shareholding in the Company.

Item No. 6:

Mr. Sonti Venkata D. Nageswara Rao had completed his first term as Public Interest Director on October 3, 2021. Approval for the first term was granted by NRC, Board, SEBI as well as the Shareholders, at the AGM held on September 23, 2019.

Pursuant to the provisions of the Companies Act, 2013, SECC Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**Listing Regulations**”) an Independent Director shall hold office for a term of three consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board Report.

Based on the knowledge, acumen, experience, expertise, report of Internal as well as External performance evaluations and substantial contribution made by Mr. Rao during his tenure, the Nomination & Remuneration Committee recommended and Board at their meeting held on June 22, 2021 recommended to SEBI his re-appointment. Mr. Rao is not disqualified from being appointed as Director in terms of Section 164 of the Act and meets the criteria for independence as provided in Section 149(6) of the Act and SECC Regulations, 2018 along with the rules framed thereunder, and has submitted necessary declaration to that effect. Upon receipt of approval for re-appointment from Securities and Exchange Board of India vide letter dated September 22, 2021, the Board vide circular resolution dated September 28, 2021 approved the re-appointment Mr. Rao as Independent Director (Public Interest Director) for a second term of 3 (three) consecutive years, commencing from October 4, 2021 to October 3, 2024, not liable to retire by rotation.

His re-appointment is subject to the approval of the Shareholders at this Annual General Meeting by way of a Special Resolution. The Company has received a notice in writing from a Shareholder under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Rao fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and Listing Regulations for his re-appointment as an Independent Director of the Company and is independent of the Management. A copy of the letter for re-appointment of Mr. Rao as an Independent Director setting out the terms and conditions would be available for inspection in the manner specified in the Notice up to the date of the Annual General Meeting.

The Board considers that his association would be of immense benefit to the Company as it has been beneficial in the past and it is desirable to avail services of Mr. Rao as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mr. Rao as an Independent Director, for the approval by the Shareholders of the Company as **Special Resolution**.

Except for Mr. Rao, being the appointee, none of the directors and key managerial personnel and their relatives are in any way, financially or otherwise, interested or concerned in these resolutions set out at Item no. 6 except as a member to the extent of their shareholding in the Company.

Details of Director seeking appointment/ reappointment 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. S. Raghunathan	Ms. Trishna Guha	Mr. S.V.D. Nageswara Rao
Designation	Shareholder Director	Public Interest Director	Public Interest Director
DIN	07615088	08200779	02105323
Date of Appointment on the Board	NA	2nd Term of three years w.e.f October 4, 2021 to October 3, 2024 1st Term of three years ended on October 03, 2021	2nd Term of three years w.e.f October 4, 2021 to October 3, 2024 1st Term of three years ended on October 03, 2021
Item No.	2	5	6
Date of Birth	April 21, 1959	August 21, 1957	January 12, 1967
Brief Resume and Expertise in specific functional area	Brief work experience of Mr. S. Raghunathan is as follows: -Currently Mr. S. Raghunathan is practicing as an Advocate in Hon’ble High Court of Karnataka and works with C. S.	Ms. Guha Started Career with West Bengal Electronics (Govt. of West Bengal Undertaking) as Programmer in the year 1983 and joined SBI as IT Specialist in the year	Capital Markets, Mutual Funds, Corporate Governance and Financial Engineering. He was Member of the Board of Studies in Economics,

Name of Director	Mr. S. Raghunathan	Ms. Trishna Guha	Mr. S.V.D. Nageswara Rao
	<p>Parthasarthy, Senior Advocate and Tax Consultant from ex Bar</p> <p>- He Began his career at Canara Bank as Assistant Manager/Manager from 1982-94.</p> <p>-Joined Stock Holding Corporation of India Ltd. was employed as Assistant Vice President (Operations) from 1994-2000.</p> <p>At UTI Investment Services Limited he held the position of Vice President between 2000-02.</p>	<p>1987.</p> <p>Subsequently joined Allahabad Bank in 1989 in Middle Management Grade and was elevated to the post of General Manager on 29.3.2011. Implemented CBS and was a key person in registering streamline operations in various sectors like Information Technology, Marketing, Retail Banking, Government Business which led the Bank to a higher growth trajectory.</p>	<p>NMIMS University, Mumbai and Inter-disciplinary Programmes, NMIMS University, Mumbai. Visiting Faculty at IIM Indore, IIM, Calicut, NITIE, Mumbai, UTI Institute of Capital Markets, Vashi, Navi Mumbai, MANAGE, Hyderabad, T.A. Pai Management Institute, Manipal, S.P. Jain Institute of Management and Research, Mumbai, NIT, Warangal, and some of the management schools in Bombay, and Delhi.</p>
<p>Brief Resume and Expertise in specific functional area</p>	<p>Worked at TCS Limited as Associate Consultant from 2002- 2007 in its Domain consultancy in Banking, Financial Services (USA and Europe).</p> <p>Worked with CAMS Pvt. Limited as General Manager from 2007-2011 in its Investor Services role and at IFMR Trust for fund raising.</p> <p>Worked with IFMR Trust (ICICI Bank affiliate) as Executive Advisor from 2011-2012.</p> <p>Employed with Central Depository Services Ltd (CDSL) as Regional Manager from 2012-2016 in Business Development, risk and regulatory policy.</p> <p>Mr. S. Raghunathan's last experience was in establishing National E-Governance Services Limited as Executive Director from June 2016 to March 2019, a first information utility under the Insolvency and Bankruptcy Code.</p>	<p>Promoted to Board level as Executive Director in Dena Bank on 05/08/2013. Introduced a series of Digital products like Digital Wallet, PoS, UPI, Loyalty Rewardz, Tab Banking etc.</p> <p>Member of IBA Standing Committee on Retail Banking & also Working Group of IBA on Leveraging Technology & Digital to improve Banking Operations Efficiency. Had been Chairperson of IBEX 2016 & 2017.</p>	
<p>Qualifications</p>	<p>M. Com, PGDBM (XLRI), LLB, CAIIB</p>	<p>M.Sc. (Physics), Post Graduate Diploma in Computer Science</p>	<p>Fellow (IIM-A) from Indian Institute of Management, Ahmedabad. Fellow (IIM-A) is the doctorate degree awarded by the Indian Institute of Management, Ahmedabad.</p> <p>B. Tech. (Mechanical Engineering) from National Institute of Technology (NIT), Warangal</p>

Name of Director	Mr. S. Raghunathan	Ms. Trishna Guha	Mr. S.V.D. Nageswara Rao
Terms and Conditions of appointment/ re appointment	Liabile to retire by rotation	Not liable to retire by rotation	Not liable to retire by rotation
Number of Meetings of the Board attended during the year	NA	11 of 11	11 of 11
Other Directorships	Nil	Shalimar Wires Industries Limited East India Pharmaceutical Works Limited	Nil
Chairman/Member of the Committees of the Board of Directors of other companies in which he/she is a Director	Nil	Shalimar Wires Industries Limited Audit Committee – Member Stakeholder’s Relationship Committee – Member Nomination and Remuneration Committee – Member East India Pharmaceutical Works Limited Nil	Nil
Committee position held in MSE*	Nil	Audit Committee – Member Risk Management Committee – Member Public Interest Director Committee - Member	Nomination and Remuneration Committee - Chairman Stakeholder Relationship Committee - Chairman Audit Committee – Member Public Interest Director Committee – Member
No. of Equity shares held in the Exchange	Nil	Nil	Nil
Relationship between Directors inter se	None	None	None

*Chairmanship and membership of Audit Committee, Nomination and Remuneration Committee, Stakeholders’ Relationship Committee, Risk Management Committee and Public Interest Director Committee have been considered.

By Order of the Board of Directors
For Metropolitan Stock Exchange of India Limited
 Sd/-
Manisha Thakur
Head Legal & Company Secretary
ACS 10855

Date: November 12, 2021

Place: Mumbai

Registered and Corporate Office:

205A, 2nd Floor, Piramal Agastya Corporate Park,
 Kamani Junction, LBS Road, Kurla (West),
 Mumbai – 400070, Maharashtra, India

ANNUAL REPORT 2020-21

Currency Derivatives | Equities | Equity F&O

NEW INITIATIVES

MSE hosted 'Samman' - an evening dedicated to celebrating long-term employees of the exchange. MD & CEO, Ms. Latika S Kundu, felicitated MSE team members for over 10 years of dedicated service to the exchange.





Annual Report 2020-21

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» Corporate Information:

Board of Directors

Mr. Dinesh Kumar Mehrotra
Chairman & Public Interest Director

Ms. Trishna Guha
Public Interest Director

Mr. Vijay Sardana
Public Interest Director

Mr. Ajai Kumar
Public Interest Director

Mr. S.V.D. Nageswara Rao
Public Interest Director

Ms. Latika S. Kundu
Managing Director & CEO

» Composition of Committees of the Company*

Audit Committee

Mr. Ajai Kumar – Chairman
Mr. Dinesh Kumar Mehrotra - Member
Ms. Trishna Guha - Member
Mr. S.V.D. Nageswara Rao – Member
Mr. Vijay Sardana - Member

Nomination and Remuneration Committee

Mr. S.V.D. Nageswara Rao – Chairman
Mr. Dinesh Kumar Mehrotra – Member
Mr. Ajai Kumar - Member

Stakeholders' Relationship Committee

Mr. S.V.D. Nageswara Rao – Chairman
Mr. Dinesh Kumar Mehrotra – Member
Ms. Latika S. Kundu - Member

Risk Management Committee

Mr. Vijay Sardana – Chairman
Mr. Ajai Kumar – Member
Ms. Trishna Guha - Member
Mr. Suresh Viswanathan (External Expert) - Member

Delisting Committee

Mr. S.V.D. Nageswara Rao – Chairman
Ms. Trishna Guha – Member
Ms. Latika S. Kundu – Member
Mr. M.P. Shah (External Person) – Member
Mr. Dharmen Shah(External Person) – Member

Regulatory Oversight Committee

Mr. Vijay Sardana – Chairman
Mr. S.V.D. Nageswara Rao – Member
Ms. Trishna Guha – Member
Mr. Bhavesh Vora (External Expert) - Member

Public Interest Directors/ Independent Directors

Mr. Dinesh Kumar Mehrotra
Mr. Ajai Kumar
Ms. Trishna Guha
Mr. S.V.D. Nageswara Rao
Mr. Vijay Sardana

Member Committee

Ms. Trishna Guha - Chairperson
Mr. Dinesh Kumar Mehrotra - Member
Mr. Ajai Kumar - Member
Ms. Latika S. Kundu - Member
Mr. P. K. Ramesh - Member
Mr. Nilkanth Pandya (External Expert) – Member

Standing Committee on Technology

Mr. Ajai Kumar – Chairman
Mr. S.V.D. Nageswara Rao - Member
Ms. Trishna Guha – Member
Mr. Vijay Sardana – Member
Mr. Sunil Patankar (External Expert) – Member
Mr. Manoj Kunkalienkar (External Expert) - Member

Management Committee

Ms. Latika S. Kundu -MD & CEO, Chairperson
Mr. Saket Bhansali - Chief Financial Officer
Mr. P. K. Ramesh - Chief Regulatory Officer & CO
Mr. Joji Sebastian - Head-Business Development
Mr. Neeraj Gupta – Chief Technology Officer
Ms. Manisha Thakur - Head – Legal & CS
Mr. Anish Kumar - Head-Procurement & Risk
Mr. Sachin Nayak, Head- Market Operations

Internal Complaints Committee**

Ms. Manisha Thakur – Presiding Officer
Mr. Saket Bhansali – Member
Ms. Shyamli Hajela – External Member
Ms. Aasawari Maddolkar – Member

* the details of statutory committees under the Companies Act, 2013 and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 are given above, for Other Committees composition please visit our website – <https://www.msei.in/about-us/board-of-directors>

** Committee constituted pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Rules, 2013

» Management Team

Ms. Latika S. Kundu
Managing Director & CEO

Mr. Saket Bhansali
Chief Financial Officer

Mr. P.K. Ramesh
Chief Regulatory Officer & Compliance Officer

Mr. Joji Sebastian
Head - Business Development (CDS)

Mr. Neeraj Gupta
Chief Technology Officer

Mr. Anish Kumar
Chief Risk Officer

Ms. Manisha Thakur
Head-Legal & Company Secretary

Mr. Sachin Nayak
Head- Market Operations

» STATUTORY AUDITORS

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

» INTERNAL AUDITORS

M/s. Mittal and Associates Chartered Accountants
from July 01, 2021
(M/s. M. M. Nissim & Co., Chartered Accountants
upto June 30, 2021)

» REGISTRAR AND SHARE TRANSFER AGENTS

KFin Technologies Private Limited
Selenium Tower B, Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad-500 032, India.
Tel: +91-040-6716 2222
e-mail : einward.ris@kfintech.com

» REGISTERED OFFICE

Metropolitan Stock Exchange of India Limited
Building A, Unit 205A, 2nd Floor,
Piramal Agastya Corporate Park,
L.B.S Road, Kurla West, Mumbai - 400 070.
Tel: +91- 022-6112 9000
Fax. : +91-022-6112 9009
Email-secretarial@msei.in
CIN: U65999MH2008PLC185856
LEI Number: 3358002YCEYDX7UK4352

BOARDS' REPORT

To the Members of Metropolitan Stock Exchange of India Limited (MSE)

The Board of Directors (“Board”) presents the Thirteenth (13th) Annual Report of MSE together with the audited financial statement for the Financial Year ended March 31, 2021.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

The financial performance for Financial Year (“FY”) 2020-21 is summarised in the following table:

(Rs. In Lakhs)

Particular	Standalone		Consolidated	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I Income				
(a) Revenue from operations	585	525	1,063	1,029
(b) Other income	1,296	1,050	2,182	2,672
Total Revenue	1,881	1,575	3,245	3,701
II Expenditure				
(a) Operating expenses	951	1,072	1,695	1,767
(b) Employee benefits expenses	1,677	1,699	2,290	2,194
(c) Finance costs	54	139	83	159
(d) Advertisement and business promotion expenses	59	51	59	52
(e) Depreciation and amortization expense	825	1,041	1,117	1,294
(f) Administration and Other expenses	745	908	1,068	1,255
Total Expenses	4,311	4,910	6,312	6,722
III Profit / (Loss) before exceptional items and tax	(2,430)	(3,335)	(3,067)	(3,021)
Exceptional items	-	(1,480)	-	(1,480)
IV Profit / (Loss) before tax	(2,430)	(4,815)	(3,067)	(4,501)
Less : Current tax	-	-	-	10
Less: Earlier Year Tax	-	-	(0)	8
Less : Deferred tax	-	-	41	58
V Profit / (Loss) for the year	(2,430)	(4,815)	(3,108)	(4,577)
Other comprehensive income				
1) Items that will be reclassified to profit or (loss) (net of tax)	12	(14)	11	(29)
2) Items that will not be reclassified to profit or (loss) (net of tax)	-	-	0	4
Total other Comprehensive Income for the year, net of tax	12	(14)	11	(25)
VI Total Comprehensive Income for the year	(2,418)	(4,829)	(3,096)	(4,602)
VII Non-controlling interest in Income/(Loss)	-	-	(26)	10
VIII Net Profit / (Loss) after Taxes and Minority Interest (VI-VII)	(2,418)	(4,829)	(3,070)	(4,612)
IX Earnings per equity share of face value of Re.1 each				
Basic (in Re.)	(0.05)	(0.10)	(0.06)	(0.10)
Diluted (in Re.)	(0.05)	(0.10)	(0.06)	(0.10)

Revenue

During the year, Total Revenue increased to Rs. 1,881 Lakhs in FY 2020-21 compared to Rs. 1,575 Lakhs in FY 2019-20. Operating Revenue increased to Rs. 585 Lakhs in FY 2020-21 compared to Rs. 525 Lakhs in FY 2019-20. Transaction fees income increased to Rs. 158 Lakhs in FY 2020-21 compared to Rs. 68 Lakhs in FY 2019-20. Listing processing fees increased to Rs. 51 Lakhs in FY 2020-21 compared to Rs. 22 Lakhs in FY 2019-20. The Listing Fees income increased to Rs. 174 Lakhs in FY 2020-21 compared to Rs. 172 Lakhs in FY 2019-20 and Other income increased to Rs. 1,296 Lakhs in FY

2020-21 compared to Rs. 1,050 Lakhs in FY 2019-20.

Expenditure

Total Expenses has decreased to Rs. 4,311 Lakhs in FY 2020-21 as Compared to Rs. 4,910 Lakhs in FY 2019-20.

The operating expenses decreased to Rs. 951 Lakhs in FY 2020-21 as compared to Rs. 1,072 Lakhs in FY 2019-20, Employee benefit expenses decreased to Rs. 1,677 in FY 2020-21 as compared to Rs. 1,699 in FY 2019-20, Advertising expenses has increased to Rs. 59 Lakhs in FY 2020-21 as compared to Rs. 51 Lakhs in FY 2019-20, The Finance cost has decreased to Rs. 54 Lakhs in FY 2020-21 as compared to Rs. 139 Lakhs for FY 2019-20. Administration and other expenses decreased to Rs. 745 Lakhs in FY 2020-21 as compared to Rs. 908 Lakhs in FY 2019-20. Depreciation and amortization expenses decreased to Rs. 825 Lakhs in FY 2020-21 as compared to 1,041 Lakhs in FY 2019-20.

2. INVESTOR RELATIONS

The Company always believes in building a relationship of mutual understanding with its investor. Critical information about the Company is available to all the investors, by uploading all such information on the Company's website www.msei.in.

3. CORPORATE AND BUSINESS BACKGROUND

The Company is a full service National level Stock Exchange with license to operate in Equity, Equity Derivatives, Debt Segment and Currency Derivatives Segment. The Exchange has live trading platform in all segments. The Exchange has temporarily suspended trading in its debt segment from the close of business hours of September 18, 2020. Metropolitan Clearing Corporation of India Limited (MCCIL) which is a Clearing Corporation and one of the subsidiaries of the Exchange now clears and settles trades via Interoperability Mechanism through MCCIL, Indian Clearing Corporation Limited and NSE Clearing Limited.

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. The Exchange has received a renewal from SEBI, for one year.

The Company has not undergone any change in the nature of business during the FY 2020-21.

4. PRODUCTS & SERVICES:

(A) Existing Products

MSE offers a variety of products and services across multiple asset classes in India which enables it to be responsive to the market demands. Its state of the art technology and robust network is a pioneer in technology and ensures reliability and performance of its systems. MSE's products and services foster digital transformation on technology, cyber security, innovation and intelligence solutions.

Given below are the products offered by MSE across various segments to Proprietary, Retail Participants, Institutional Participants (Domestic and Foreign)

Segments	Products and Services
Currency Derivatives Segment	<ul style="list-style-type: none"> • Currency Futures • Currency Options • Cross Currency Futures • Cross Currency Options • Interest Rate Futures
Equity Capital Market	<ul style="list-style-type: none"> • Equity shares of companies • Sovereign Gold Bonds • Exchange Traded Funds (ETFs) • Offer for Sale
Equity Derivatives Segment	<ul style="list-style-type: none"> • Stock Futures • Stock Options • Index Futures • Index Options

(B) Index

SX40 our flagship, a free float based Index of 40 large cap-liquid stocks represents diversified sectors of the economy. SX40 measures the economic performance with better representation of various industries. The Index is devised to offer cost effective support for investment and structured products such as Index Futures and Index Options, Index portfolio, Exchange Traded Funds, Index Funds etc.

SXBANK is designed to measure the performance of stocks of banking sector – the sector that funds various economic activities of the nation. The Index will have 10 stocks from the banking sector. Weights of individual stocks in the index have been capped at 15% to reduce concentration and thereby provide a cost-effective support for investment/portfolio management.

(C) Upcoming Products and Services

Though MSE continues its focus on increasing its market share in existing segments and products, over a long term MSE plans to introduce and implement a wide range of new products based on the market research and feedback from the market participants.

MEMBERSHIP

The details of Segment wise members registered with SEBI as on March 31, 2021 are as follows:

Currency Derivatives	Equity Cash	Equity Futures & Options
524	318	307
Particulars	FY 2020-21	FY 2019-2020
Centres participating across India*	729**	729**

Note:

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

** As on March 31, 2021 and March 31, 2020 respectively.

5. TECHNOLOGY

The IT infrastructure at the Exchange has been designed with performance, reliability, redundancy and security as the key parameters. The Exchange has got a robust Trading System running on High Availability and Fault Tolerant Infrastructure which includes Fault Tolerant Servers, routers, firewalls with Intrusion Prevention and Detection System. 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. MSE's trading system has gained greater acceptance among the traders and investors, with its user friendly functionalities coupled with sound architecture to cater to the Exchange system requirements. The systems and processes of the Exchange are designed to safeguard market integrity and to enhance transparency in operations. Since the Exchange has implemented interoperability framework, the trades executed at MSE can be settled at designated Clearing Corporations.

The Surveillance system of the Exchange has capability to generate alerts, with the user configurable thresholds, to trigger any unusual trading trends and has all capacity to ensure that the security watch systems and reports/investigations are efficiently done in line with the norms specified by SEBI.

Further, the Exchange is committed to ensure continuous improvement in Member Satisfaction and to serve its Members with a better technology in the time to come. The Exchange is committed to bring world class technology.

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), colocation and Internet.

The IT components are hosted in a state-of-art data centre that is designed to support mission critical operations. The data centre and all its components are monitored 24x7.

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. The Recovery Time Objective (RTO) and Recovery Point Objective (RPO) of the Exchange are 45 minutes and 15 minutes respectively for all critical systems like Trading, Surveillance, Risk Management etc. 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 Exchange provides Real-time price information to interested parties through “Data feed” service of the Exchange. The Exchange also provides the delayed data feed free to cost to the data feed vendors. 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 9001:2015 standard.

6. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

Your Company has two subsidiaries i.e. Metropolitan Clearing Corporation of India Limited (“MCCIL”) and MSE Fintech Limited (formerly known as MCX-SX KYC Registration Agency Limited) (“MSE Fintech”). No new subsidiaries were 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.

MCCIL undertakes clearing and settlement of the trades transacted on the Exchange platforms. As on March 31, 2021, the operational income of MCCIL has increased from Rs. 909.43 Lakhs in the previous year to Rs. 1,480.93 Lakhs in the current year (including the disputed invoices raised on the MSE).

MCCIL has raised few invoices amounting to Rs. 644.44 Lakhs (excluding taxes) for the period April 1, 2020 to March 31, 2021 under C&S Agreement 2012 which is unenforceable as trades are being cleared under Interoperability Agreement (IO) which was effective from June 1, 2019 for Currency Derivatives, Equity Derivatives and Equity segment. The Exchange has issued a letter to MCCIL on September 15, 2020 for termination of C&S Agreement as applicable to Debt segment which was temporarily suspended with effect from September 18, 2020 as there were no trades in this segment since 2013. MCCIL has been requested to withdraw the invoices.

MSE Fintech is a wholly owned subsidiary of your Company which was initially proposed to act as Know Your Customer Registration Agency subject to receipt of necessary Regulatory approvals. MSE Fintech is yet to commence its operations and now proposes to carryout IT, Application Service Provider (ASP) and other related services.

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. The annual report of the subsidiaries and the related documents are placed on the website of the Company i.e. www.msei.in/about-us/financials. In accordance with the provisions of Section 136 of the Companies Act, 2013, shareholders may download the annual consolidated financial statements with relevant documents and detailed information of the subsidiaries from the Company’s website or may write to the Company for the same on secretarial@msei.in

7. DIVIDEND AND RESERVES

The Board of Directors does not recommend any dividend on the equity capital of the Company and no amount is proposed to be transferred to the General Reserve.

8. CHANGES IN THE SHARE CAPITAL

- a) The Authorized Share Capital of the Company is Rs. 550,00,00,000 divided into 550,00,00,000 equity shares of Re.1/- each.

- b) The Paid up Share Capital of the Company is Rs. 481,02,17,033 divided into 481,02,17,033 equity shares of Re.1/- each.
- c) There was no change in the paid-up share capital of the Company during the FY 2020-21 as no new shares have been issued by the Exchange.

9. EMPLOYEES STOCK OPTION PLAN

Employees Stock Option Scheme, 2009 is presently inactive. There has been no variation in the terms of the above scheme during the year. During the financial year under review, no stock options were granted nor exercised by the employees under ESOP scheme. The details of the employee stock options are set out in **Annexure-I** to the Board's Report.

10. DEPOSITS

The Company has not invited, accepted or renewed any deposits under Chapter V of the Companies Act, 2013 during the financial year under review and as such no amount of principle or interest on any public deposits was outstanding as on the date of the balance sheet.

Details of deposits not/ in compliance with the requirements of the Act

Since, the Company has not accepted any deposits during the Financial Year ended March 31, 2021, there has been no non-compliance with the requirements of the Act.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of Investments made by the Company are provided in Note nos. 5 and 10 of the Notes of the Standalone Financial Statements.

During the year, your Company has not provided any guarantee or security to any person or entity and has not made any loans and advances in the nature of loans to firms/ companies in which directors of the Company are interested.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has formulated Policy on Related Party Transactions (RPT). The same is available on Company's website at web-link www.msei.in/SX-Content/common/MCX-SX-About-Us/policy/2021/May/Policy-on-Related-Party-Transactions.pdf

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. 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 and is set out in the **Annexure-II** to the Boards Report. Approval of the shareholders for the Related Party Transactions with its Subsidiaries have been obtained in the Annual General Meeting of the Company held on September 23, 2019. Approvals are also obtained for the Related Party Transactions from the Audit Committee & the Board.

13. DIRECTORS

The current strength of Board of the Company is six. Being a Stock Exchange, the Board comprises of five Public Interest Directors ("PIDs") nominated by SEBI, and one Managing Director & CEO (considered in the Shareholder Director Category). Mr. Sudhir Bassi, Shareholder Director of the Company retired at the last AGM held on December 18, 2020, hence, Mr. Raghunathan Srinivasa, has been recommended by the Board for appointment as Shareholder Director, subject to approval of Shareholders at the ensuing AGM and approval of SEBI.

Changes during the year

During the period under review, Mr. Ajai Kumar was re-appointed as Public Interest Director (PID) with effect from October 23, 2020. Mr. Ajai Kumar had been appointed previously as a Director of Metropolitan Stock Exchange of

India Limited from April 05, 2017 upto August 06, 2018 (date of his resignation).

Ms. Latika S. Kundu has been appointed as Managing Director & CEO with effect from March 12, 2020, necessary approvals have been obtained for her appointment.

Mr. Ketan Shivji Vikamsey, Public Interest Director had been re-appointed on the Board of the Exchange on February 12, 2020, for the second term commencing from April 05, 2020 to April 04, 2023. Mr. Vikamsey resigned w.e.f. June 19, 2020. Mr. Sudhir Bassi, Shareholder Director who was liable to retire by rotation at the last Annual General Meeting retired w.e.f. December 18, 2020. The Board places on record its deep appreciation and gratitude towards the valuable contributions made by Mr. Ketan Vikamsey and Mr. Sudhir Bassi.

Ms. Trishna Guha and Mr. S. V. D. Nageswara Rao, PIDs have been re-appointed vide SEBI letter dated September 22, 2021 for further three consecutive years beginning from October 04, 2021 to October 03, 2024.

DECLARATIONS BY PUBLIC INTEREST DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 (“Act”), that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Further, all PIDs have also given the declarations that they satisfy “Fit and Proper” criteria as stipulated under Regulation 20 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“SECC Regulations”).

All PIDs have also complied with Code for Independent Directors prescribed in Schedule IV to the Act. All PIDs have also given their annual affirmation on compliance with the Code of Conduct for the Board of Directors and Senior Management of the Company. Further, there has been no change in the circumstances affecting their status as PIDs of the Company.

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the PIDs of the Company have registered themselves with the Indian Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline.

DECLARATION BY THE COMPANY

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014. The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Committee Members and Key Managerial Personnel (KMP) and Employees of the Company which is available on the Company’s website: www.msei.in/about-us/code.

14. MEETINGS OF THE BOARD

During the FY 2020-21, eleven (11) meetings of the Board of Directors were held. Details of Board meetings are provided in Corporate Governance Report which forms part of the Annual Report. Separate meetings of the Public Interest Directors were held in June 2020 and December 2020.

MEETINGS OF THE COMMITTEES OF THE BOARD

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Stakeholders Relationship (SRC), Nomination and Remuneration Committee (NRC), Risk Management Committee (RMC). Brief details pertaining to composition, terms of reference, meetings held and attendance thereof of these Committees during the year have been provided in Corporate Governance Report forming part of this Annual Report. Additionally, Company being an Exchange, has also constituted other Regulatory Committees as stipulated under SECC Regulations and other applicable laws.

AUDIT COMMITTEE RECOMMENDATIONS

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

15. EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS

With the objective of enhancing the effectiveness of the Board, the Nomination and Remuneration Committee

(NRC) formulated the methodology and criteria to evaluate the performance of the Board and each director. The Independent Directors evaluated the performance of all Non-Independent Directors and the Chairman on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision and overall Board effectiveness. The results of evaluation were discussed in the Board meeting held in November 2021. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors and noted the observation of the Directors. The detailed procedure followed for the performance evaluation of the Board is enumerated in the Corporate Governance Report.

16. CHANGES IN KEY MANAGERIAL PERSONNELS

Key Managerial Personnel of the Company in terms of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“SECC Regulations”) are given below.

The Existing Key Managerial Personnel’s (KMPs) are Ms. Latika S. Kundu, MD&CEO and Mr. P. K. Ramesh, Chief Regulatory Officer and Compliance Officer.

During the financial year, Mr. Kunal Sanghavi, Chief Financial Officer resigned on April 13, 2020. Mr. Saket Bhansali who was appointed as Head (New Initiatives) w.e.f April 3, 2020 was appointed as Chief Financial Officer w.e.f. August 21, 2020. Ms. Manisha Thakur who was appointed as the Head – Legal & Secretarial w.e.f. April 1, 2021 & as Head - Legal & Company Secretary w.e.f. May 13, 2020. Mr. Kundan Zamvar – Vice President – IT and Chief Information Security Officer (CISO) resigned on October 13, 2020. Mr. Neeraj Gupta was appointed as Chief Technology Officer w.e.f. January 19, 2021.

17. POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION

The Company has to comply with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“SECC Regulations”), for appointment of directors on the governing board. Further, the remuneration payable to the Executive Directors is also governed by the SECC Regulations. In compliance with the requirements of Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SECC Regulations, a statement containing the remuneration details of Directors and KMPs is annexed as **Annexure-V** of this report.

18. DIRECTORS’ RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134 (5) 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 2020-21, the applicable accounting standards have been followed and there are no material departures;
- b) The Directors had 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 2020-21 and of the loss of the Company for that period;
- c) The Directors 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) The Directors 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) The Directors 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) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. HUMAN RESOURCES AND PARTICULARS OF EMPLOYEES

The employee count stood at 145 as on March 31, 2021 as against 160 as on March 31, 2020. 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-IV & V** of this report respectively.

Vigil Mechanism/ Whistle Blower Policy

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy pursuant to Section 177(10) of the Act for directors and employees to report their genuine concerns and grievances. The said Policy is available on website of the Company i.e. www.msei.in/SX-Content/common/MCX-SX-About-Us/Code/2021/July/Whistle-Blower-Policy.pdf

During the year under review, no employee has been denied access to the Audit Committee. In the previous years, 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 had appointed an Independent and reputed investigation firm to investigate the matters as per the SEBI Directives. The investigation has been completed and the report has been submitted to SEBI in December 2018.

20. 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 (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices and lays down the guidelines for identification, reporting and prevention of undesired behaviour.

During the financial year ended March 31, 2021, no complaints pertaining to sexual harassment have been received.

21. AUDITORS

The Statutory Auditors are M/s. T. R. Chadha & Co. LLP, Chartered Accountants (Firm Registration No. 006711N/N500028), Mumbai, had been re-appointed as statutory auditors, at the Eleventh Annual General meeting held on September 23, 2019, to hold office from the conclusion of the Eleventh Annual General Meeting until the conclusion of the Sixteenth Annual General Meeting of the Company to be held in FY 2024, The Auditors have confirmed that, their appointment is 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. No fraud has been reported by the Auditors to the Audit Committee or the Board.

Auditors Qualification

The auditor in their report on the audited financial statements for the year ended March 31, 2021 expressed qualification which are summarized below along with the Management’s comments on the same:

The Company continues to prepare Financial Statements on going concern basis even though Company has continued to incur significant losses during the current and preceding periods. As advised, the Company is adequately capitalized, has gone live on Interoperability, operations are functioning and gross revenue are expected to increase in future years and accordingly the company continues to prepare its Standalone Financial Statements on going concern basis. However, the business volumes are not sufficient and there is no clarity on increasing revenue & making profits in future and the Company could not achieve its projected revenues so far. The Management has also considered the GST Credit available amounting to Rs. 4,328 Lakh and MAT Credit Entitlement amounting to Rs.186 Lakh as recoverable treating the company as going concern. Considering the uncertainty, we are unable to comment on the preparation of standalone financial statements on going concern basis and not

making provisions/ impairment for GST Receivable of Rs.4,328 lakh and MAT Credit entitlement of Rs.186 lakh and the adjustments, if any, that will be arising out of the same.

Management Response:

The Company is adequately capitalized, the regulatory net worth of the company as on March 31, 2021 stands at Rs. 164.46 Crores as against minimum regulatory requirement of Rs. 100 Crore. Further, the Exchange has also gone live on regulatory requirement like Interoperability and Exchange's operations are running smoothly & appropriately. It is pertinent to note that during the current FY 2020-21, the core transaction income of the Exchange increased on account of increased volumes. Apart from the above, the Exchange is taking various initiatives which will help in building further volumes and thereby revenue. Further, the Exchange has also adopted various cost reduction measures, which shall help the Exchange in availing the said Credit. Hence, over the period of time as MSE's business will enhance, this available CENVAT credit shall be utilized to offset government GST liabilities and shall act as cash savings for the organization. Accordingly the Company continues to prepare its Financial Statements on going concern basis. The management also believes for recovery of GST & MAT credit available to it in future years.

Emphasis of Matter:

- (a) We draw attention to Note 5 to the Statement which describes that Securities Exchange Board of India (SEBI) has advised the Exchange to initiate Forensic Audit in certain matters which is currently on going. The impact of aforesaid exercise on the Statement, if any, is dependent on final outcome of the same.
- (b) We further draw attention to note 7 of the Statement, whereby, the Subsidiary Company Metropolitan Clearing Corporation of Indian Limited (MCCIL) of the Exchange has raised invoices of Rs. 190.58 Lakh, Rs. 343.38 Lakh and Rs. 987.93 Lakh (all amount excluding taxes), towards Clearing and Settlement Charges based on an erstwhile C&S Agreement (prior to interoperability), for the quarter ended September 30, 2021, half year ended September 30, 2021 and cumulative from April 1, 2020 to September 30, 2021 respectively. As detailed in the said Note 7, these invoices raised by MCCIL has been disputed by the Exchange for its applicability and accordingly the said invoice has not been provided for in books of accounts and considered as a 'Contingent Liability - Claim against the Company not acknowledged as debt'

22. ADEQUACY OF INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

The Company has maintained adequate internal financial controls over financial reporting. These includes policies and procedures –

- (a) pertaining to the maintenance of records that is reasonably detailed, accurately, and fairly reflects the transactions and dispositions of the assets of the Company,
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and Directors of the Company, and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material impact on the financial statements.

The Company identifies risk based internal audit scope; and assesses the inherent risk in the processes and activities of all departments to ensure that appropriate risk management limits, control mechanisms and mitigation strategies are in place. The Internal Auditors report observations relating to the deficiencies/ non-compliance of various audit areas and give suggestions/ recommendations and control directives to mitigate the shortcomings and make the process, procedure, systems and functions more robust, accountable, reliable and compliant. The observations made by the Internal Auditors and the compliances thereof are placed before the Audit Committee.

The Company has further implemented pre-audit of vendor payments based on a set criteria. It strives to put in checks and controls like internal approvals, budgetary controls, documentary controls, compliance to statutory requirements, etc.

The Company conducts in-house monitoring of the important applicable statutory and regulatory compliances. The status of compliances and the monitoring along with 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.

Risk Management and Compliance

Risk Management is one of the critical element of operating framework at Metropolitan Stock Exchange of India Limited. Enterprise Risk Management ("ERM") framework encompasses practices relating to the identification, evaluation, mitigation and monitoring of strategic, operational, financial, compliance risks and emerging risks to achieve key business objectives and to minimise the adverse impact of risks., enabling effective leveraging of market opportunities and enhancement of long-term competitive advantage.

The Board of Directors of the Company has formed a Risk Management Committee ("**RMC**") to oversee the ERM Framework, mitigation and monitoring the risk management plan and ensuring its effectiveness. Following are the members of the RMC of the Exchange:

Mr. Vijay Sardana, Chairman

Ms. Trishna Guha, Member

Mr. Ajai Kumar, Member

Mr. Suresh Viswanathan, External Expert

The Company's risk management framework is broadly categorized as risk pertaining to (a) Business and Strategy, (b) Information Technology & Cyber Security, (c) Regulatory and Compliance, (d) Finance and Accounts, (e) Operations, (f) Human Resources and (g) Admin and Environmental Health & Safety.

Risk Management Objectives

The objective of Risk Management is to help management make informed decisions which will:

- Provide a sound basis for good corporate governance;
- Avoid major surprises related to the overall risk and control environment;
- Protect & enhance shareholders' value;
- Promote an innovative, risk aware culture in pursuit of opportunities to benefit the company;
- Promote qualitative and consultative risk taking;
- Risk Management framework ensures that information about risk derived from the risk management process is adequately reported and used as a basis for decision making and accountability at all relevant organizational levels.

Risk Management Procedure:

Risk Identification: Risk Management is a continuous interplay of actions that the Company has to face. It is brought in to effect by the Company's Risk Committee, Management and other personnel. At MSE, all Risk are categories into two i.e. Departmental Risk and Organisation Risk. The Risk Management process of the Company aims at providing reasonable assurance regarding achievement of the Company's objectives. In order to provide reasonable assurance, the Company's risk management process endeavors to help, identify, assess and escalate new risks impacting the objectives of the Company, Define mitigation actions to respond to the new risks effectively, Monitor effectiveness of existing risk management mitigation actions and Report risks and risk management mitigation actions to the Risk Management Committee on a periodic basis. The risk analysis and evaluation are carried out using scenario-based assessments to decide the potential impact, likelihood of occurrence and in some cases, the detectability of the risk. In all department Risk Champions are identified who along with Risk Department review the internal process and identifies if any new risk is coming into the system and report the same to Internal Risk management committee and Risk Management Committee.

Risk Mitigation: Mitigation actions are prepared and finalised, owners are identified and the progress of mitigation actions are monitored and reviewed. The internal Risk Management Committee and Risk Management Committee

periodically reviews and monitors the mitigation actions, its effectiveness and provides its advice and insights to the mitigation teams.

Risk Reporting: The top risk from the risk registers, its mitigation plans, periodic review of processes and new risks emanating from such reviews, a detailed update on Risks is presented and deliberated upon in the meetings of the RMC which are conducted on a periodic basis.

Risk Management Philosophy

The philosophy of Risk Management is similar to Risk Management Objectives which helps Management to make informed decisions which will:

- Provide a sound basis for good corporate governance;
- Avoid major surprises related to the overall risk and control environment;
- Protect & enhance shareholders' value
- Promote an innovative, risk aware culture in pursuit of opportunities to benefit the company
- Promote qualitative and consultative risk taking
- Risk Management framework ensures that information about risk derived from the risk management process is adequately reported and used as a basis for decision making and accountability at all relevant organizational levels.

Risk Management Charter

The Company is committed to implement a robust Risk Management process to:

- improve its ability to prevent or timely detect risk event,
- identify, discuss, escalate and provide suggestions to deal with critical risk issues;
- standardize risk management principles and language across the company;
- improve sharing of risk information
- provide flexibility for managing upside and downside scenarios

This information complements and does not replace other existing compliance programs. This information is built on the established principles of sound risk management as detailed in recognised sources such as the Risk Management Standard ISO: 31000.

23. INTERNAL AUDIT

Internal Audit for the Financial Year 2020-21 was conducted by M/s. M. M. Nissim & Co. and Internal Audit Report at periodic intervals were placed before the Audit Committee and the meetings of the Board of Directors. In the Financial Year 2021-22, M/s. M. M. Nissim & Co. conducted the audit only for Q1 viz., for the quarter ended June 30, 2021.

Thereafter, the Exchange has appointed M/s. Mittal and Associates as new Internal Auditors to conduct audit from the quarter ended September 30, 2021.

24. 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, and pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, the Company appointed M/s. DSM & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for FY 2020-2021 and to issue Secretarial Audit Report. The Secretarial Audit Report duly signed by Mr. Sanam Umbargikar, Partner (membership no. 26141 and Certificate of practice no. 9394) of the said firm is annexed as **Annexure-VI** to this report.

There were no qualifications, reservations or adverse remarks made by Secretarial Auditor.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) The steps taken and their impact on conservation of energy:

- a) Your Company regularly replaces high energy consuming electrical equipment with modern efficient devices such as installing all LED lights which are less in electricity consumption. Additionally, your Company also conserves energy by switching off lights & other equipment when they are not required. Your Company has also put sun control films on the glass windows to reduce the heat entering the office area which reduces the air-conditioning load and instead of AHU (Air Handling Unit), the Company is using chilled water line which results in reduction in electricity cost. Your Company continuously strives to optimize its energy usage and efficiency.
- b) **The steps taken by the Company for utilising alternate sources of energy:** Your Company's building has glass windows all around and we also use the ambient light for lighting purposes as much as possible which reduces the electricity consumption due to lesser need of lighting during the day.
- c) **The capital investment on energy conservation equipment:** The Company has not done any capital investment on energy conservation equipment during the year.

(B) The earnings in foreign currency during financial year 2020-21 was same as previous year Rs.22,50,000/. The expenditure in foreign currency during the financial year 2020-21 amounted to Rs. 38,38,053/- as compared to Rs. 32,32,515/- in the previous year.

26. 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.

27. 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, 2021 to which the financial statements relate and the date of this Report.

28. CHANGE IN THE NATURE OF BUSINESS

Your Company has not undergone any changes in the nature of business during the Financial Year 2020-21.

29. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 has been placed on the website of the Exchange at www.msei.in/about-us/financials in accordance with Section 134(3)(a) of the Companies Act, 2013 also attached as **Annexure-VII**.

30. SECRETARIAL STANDARDS

The Company complies with the applicable Secretarial Standards issued by the 'Institute of Company Secretaries of India' (ICSI), as amended from time to time.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the ICSI and such systems are adequate and operating effectively. During the year under review, the Company was in compliance with the Secretarial Standards (SS) i.e., SS-1 and SS- 2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

31. IMPLEMENTATION OF CORPORATE ACTION

During the year under review, the Company has not failed to implement any Corporate Actions within the specified time limit.

32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

- i. Office of Special Director, Eastern Region, Enforcement Directorate, Kolkata (ED) issued Show cause notice

dated 17.06.2020 under the Foreign Exchange Management Act, 1999 (“**FEMA**”) for alleged contravention of the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 (“**Derivative Regulations**”) against certain trading members and others (notices) for trades executed on the Currency Derivative Segment of the Exchange in the financial year 2011-12. Exchange submitted its detailed written reply to the said show cause notice wherein Exchange categorically stated that it was not in any contravention of Regulations 3, 4 and 5A of the **Derivative Regulations** as alleged and was fully compliant with the RBI/ SEBI guidelines on trading of currency derivatives on exchanges. The Adjudicating Authority in the matter passed a favourable order dated April 5, 2021 stating that the allegation/charge have not been established against any of the Noticees including the Exchange and closed the matter.

ii. Matters under litigation before Income Tax Department

Sr. No	Assessment Year	Amount of Expenses under appeal	Remarks
1	A.Y. 2012-13	280,495,853	Appeal is pending with CIT
2	A.Y. 2014-15	NIL	Awaiting for reopening of assessment.

Above expenses incurred by the Exchange is being appealed before the Income Tax Department for A.Y. 2012-13. If this appeal is unfavourable it may impact the Exchange.

iii. Update on the matter before the Hon’ble Supreme Court of India and NCLAT against NSE

NSE has appealed before the Hon’ble Supreme Court on September 16, 2014 against the order dated August 5, 2014 passed by the Hon’ble Competition Appellate Tribunal, COMPAT (now merged with NCLAT) wherein it had upheld the order passed by Competition Commission of India (CCI) on predatory pricing by NSE. The Exchange has continuously endeavoured to get the matter listed at Supreme Court, after which it was listed on fourteen occasions from middle of 2019 up to beginning of lockdown; however the matter was not taken up by Hon’ble Supreme Court due to paucity of time. After partial lifting of lockdown due to COVID-19, the Exchange filed urgent hearing/ mentioning application to get the matter listed on an urgent basis, on account of which the matter was listed on about six dates, however, was not taken up due to paucity of time and other reasons. The application claiming compensation from NSE filed by the Company before the Hon’ble COMPAT has been stayed pursuant to Hon’ble Supreme Court’s Order dated February 12, 2018.

33. MAINTENANCE OF COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013, are not applicable for the business activities carried out by the Company.

34. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company has not declared any dividend, so the applicable provisions related to IEPF are not applicable to the Company.

35. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

No fraud has been reported by the Auditors to the Audit Committee or the Board.

36. RESOURCES COMMITTED TOWARDS STRENGTHENING REGULATORY FUNCTIONS AND TOWARDS ENSURING COMPLIANCE WITH APPLICABLE REGULATORY REQUIREMENTS

The Company being a recognized stock exchange is governed by SEBI. SEBI from time to time has issued various regulations and guidelines applicable to the Company. The Company ensures compliances with the same and aims to remain at the forefront by creating a precedent for others to follow, in terms of compliance by implementing the best governance practices and disclosures.

The Company has segregated its regulatory departments as per Regulation 28 of SECC Regulations. The Company has dedicated resources to manage regulatory functions of the regulatory departments as specified in Part C of SECC Regulations which includes Surveillance, Listing, Member registration, Compliance, Inspection, Enforcement, Arbitration, Default, Investor Protection and Investor Services and is in compliance of Regulation 33 (3) of the SECC Regulations.

There are 41 resources in these functions in various designations. Senior officials of the Company head various regulatory departments and report to the Chief Regulatory Officer and Compliance Officer, who in turn reports to the Managing Director and CEO, Regulatory Oversight Committee and Board of Directors, whenever required. The total cost incurred by the Exchange for the Financial Year ended on March 31, 2021 amounts to Rs. 3.59 crores towards strengthening regulatory functions and towards ensuring compliance with applicable regulatory requirements.

The Company has ensured to make disclosures of various mandatory regulatory requirements along with reporting of the same to various regulatory authorities in addition to informing the same to the Board of Directors and Committee members.

37. GREEN INITIATIVE

During the Financial Year 2020-21, all the agenda items of Board and Committee meetings were sent electronically to the Directors/ Members and were uploaded on an application, thereby reducing/ eliminating circulation of printed agenda's and promoting the Green Initiative objective of the Government of India.

38. CHANGE IN THE REGISTERED OFFICE OF YOUR COMPANY

During the period under review, the registered office of your Company was changed from 4th Floor, Vibgyor Towers, Opposite Trident Hotel, Bandra Kurla Complex, Bandra East, Mumbai – 400051 to 501, 5th Floor, Vibgyor Towers, Opposite Trident Hotel, Bandra Kurla Complex, Bandra East, Mumbai – 400051 w.e.f January 01, 2021.

Your Company w.e.f April 01, 2021 shifted its registered office from 501, 5th Floor, Vibgyor Towers, Opposite Trident Hotel, Bandra Kurla Complex, Bandra East, Mumbai – 400051 to Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400 070.

39. OTHER DISCLOSURES

A. Management Discussion & Analysis

Pursuant to Regulation 34(2)(e) of the Listing Regulations, the Management Discussion and Analysis Report forms part of this Annual Report.

B. Corporate Governance

Pursuant to the SECC Regulations, Listing Regulations and the Act, report on Corporate Governance as on March 31, 2021, forms part of this Annual Report as an **Annexure-IX**. A Certificate from Practicing Company Secretary, confirming status of compliances of the conditions of Corporate Governance is annexed to the Corporate Governance Report.

C. Insider Trading Regulations

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading (**"Insider Trading Code"**)

D. Amendment in the Bye-laws, Rules and Regulations

The proposed modifications to the Bye-laws, Rules and Regulations of the Exchange have been pre-published for public comments and thereafter been submitted for approval of the SEBI.

E. Amendment in the Memorandum and Articles of Association

The Memorandum of Association and Articles of Association of the Exchange are proposed to be amended to align it with the existing provisions of the Companies Act, 2013 and the rules made thereunder. The Board in its meeting held on June 22, 2021 have approved the amendment to the Memorandum of Association and Articles of Association of the Exchange which has been placed for approval of the Shareholders.

F. Other Matter

(a) The Exchange had received letters from the Regional Director, Ministry of Corporate Affairs regarding inspection of the Exchange u/s 206 (5) of the Companies Act, 2013. The Exchange has submitted

necessary documents sought as part of the inspection.

- (b) As required pursuant to the SEBI directions in the month of June 2021, the Exchange has initiated forensic audit as per scope specified by SEBI, which was based on complaints received by SEBI. The Exchange has submitted the necessary information sought as part of the audit.

40. MARKETING AND COMMUNICATIONS

Despite the prevailing pandemic situation, the Company has undertaken several initiatives to keep members, investors and general public abreast about companies development and new initiatives. The Company hosted several webinars every week covering varied topics addressing all stakeholders. The initiatives undertaken by the Company got coverage more specific on social media. Further, Social media platforms were also leveraged to reach out to a wide audience. As part of new initiative Corporate communication department is working on various strategies to connect with the market participants by using various social media platform such as twitter, LinkedIn, Facebook etc. Recently, MSE has run a social media campaign "Kya Apko Patta hai". Our MD&CEO is also representing Exchange in various webinar and speaking on current topics such as Block Chain and Future of capital market to increase our visibility. MSE is also rolling out Investor awareness campaign along with SEBI throughout the year. Further, the department has undertaken various initiatives to reach out to stakeholders through Social Media handles and also circulates daily news bulletin 'MSE Snippets' thus maintaining continuous touch points and visibility.

41. ACKNOWLEDGEMENTS

The Board is grateful to the members of various committees constituted by the Exchange.

The Board places 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, shareholding banks and institutions, NSDL, CDSL, FICCI, CII, ASSOCHAM, IMC 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 Board members are also deeply touched by the efforts, sincerity and loyalty displayed by the employees during the COVID-19 pandemic.

Further, the Board expresses its gratitude to you our Shareholders for the confidence reposed in the Management of the Company.

For and on behalf of the Board of Directors

Latika S. Kundu
Managing Director & CEO
DIN: 08561873

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Date: November 12, 2021
Place: Mumbai

ANNEXURE I – Boards Report

**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, 2021	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 intended to be offered through Trust			
F	Options lapsed as at March 31, 2021)	4,20,000	34,52,434	5,53,250	1,45,800
G	Variation of terms of options (as at March 31, 2021)	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, 2021)	NIL			
J	Employee wise details of options granted during FY 2020-21	Nil			
	i) KMPs/ Senior managerial personnel				
	ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year				
	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				
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'	NA			
L	i) Method of calculation of employee compensation cost				
	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				
	iii) The impact of this difference on profits and on EPS of the Company				
M	Weighted average exercise price and Weighted average fair value				
N	Fair value of options: Assumptions, Risk Free rate, Expected life of options, Expected Volatility				
	Expected Dividends	No dividend was declared			
	Closing market price of share on a date prior to option grant	N.A.			

Notes:

- Options under the ESOP Scheme are offered through the Trust.
- The shares of the Company are not listed on any Stock Exchange.
- No options were granted, vested or exercised during the FY 2020-2021.

For and on behalf of the Board of Directors

Latika S. Kundu
 Managing Director & CEO
 DIN: 08561873

Date: November 12, 2021
 Place: Mumbai

Dinesh Kumar Mehrotra
 Chairman
 DIN: 00142711

ANNEXURE II – Boards Report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act 2013 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 fourth proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis- Metropolitan Stock Exchange of India Limited (the Company) has not entered into any contract/arrangement/ transaction with its related parties, which is not in ordinary course of business or at arm's length during FY-2020-2021. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.
 - (a) Name(s) of the related party and nature of relationship: **Not Applicable.**
 - (b) Nature of contracts/arrangements/transactions: **Not Applicable**
 - (c) Duration of the contracts / arrangements/transactions: **Not Applicable.**
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Not Applicable.**
 - (e) Justification for entering into such contracts or arrangements or transactions: **Not Applicable.**
 - (f) Date(s) of approval by the Board: **Not Applicable.**
 - (g) Amount paid as advances, if any: **Not Applicable.**
 - (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: **Not Applicable.**
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

Latika S. Kundu
Managing Director & CEO
DIN: 08561873

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Date: November 12, 2021
Place: Mumbai

Annexure to Form No. AOC-2
Details of Transactions with Related Parties

(Rs. In Lakhs)

Nature of Transaction	MSE Fintech Limited (erstwhile MCX-SX KYC Registration Agency Limited).	Metropolitan Clearing Corporation Of India Ltd (Subsidiary)	MCX SX IPF CDS Trust (Others)#	Metropolitan Stock Exchange ESOP Trust (Others)
Expenses				
Clearing and settlement charges	-	1	-	-
	-	3	-	-
Other services	-	21	-	-
	-	26	-	-
Income				
Rent income	-	60	-	-
	-	196	-	-
Assets Transfer	-	2	-	-
	-	-	-	-
Shared service cost recovered	-	165	-	-
	-	291	-	-
Reimbursement of Expenses	0	-	-	-
	-	-	-	-
Receipt under Capital Reduction	-	-	-	-
	-	16,295	-	-
Amount Receivable	-	119	-	0
	0	-	1	0
Amount Payable	-	-	-	-
	0	12	-	0
Closing Balance of Investments in equity shares	5	12,017	-	-
	5	12,017	-	-
Closing Balance of Loan to ESOP Trust	-	-	-	60
	-	-	-	60
Closing Balance	-	-	-	-
	-	-	-	-

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 italics represent previous year's amounts.
4. The transactions with the related parties are disclosed only till the relation exists.
5. Transaction charges collected by MCCIL 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

Latika S. Kundu
 Managing Director & CEO
 DIN: 08561873

Date: November 12, 2021
 Place: Mumbai

Dinesh Kumar Mehrotra
 Chairman
 DIN: 00142711

ANNEXURE III– Boards Report
NOMINATION AND REMUNERATION POLICY

The detailed Nomination and Remuneration policy is available on MSE’s website at www.msei.in/about-us/policy.

ANNEXURE IV– Boards Report
STATEMENT PURSUANT TO RULE 5(3) and 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND REGULATION 27(5) OF THE SECC REGULATIONS 2018
FOR THE PERIOD FROM APRIL 1, 2020 TO MARCH 31, 2021

Name & Qualifications	Age	Designation	Remuneration received (Rs.)	Experience in years	Date of commencement of employment	Previous employment
Latika S Kundu MBA, ACCP-ICCP, BCOM*	51	MD & CEO	49,99,992	21+	12-Mar-20	Singapore Diamond Investment Exchange Pte. Ltd
Kunal Suresh Sanghavi Bcom, CA, PGPMAX ^{&}	38	Chief Financial Officer (Resigned on 13-04- 2020)	14,80,980	15	12-Feb-18	Angel Broking Pvt. Ltd.
Saket Bhansali B.com / PGDBA ^{\$#}	43	Chief Financial Officer and Head HR (w.e.f. 21-08-2021 as CFO)	54,69,863	21	03-Apr-20	Singapore Diamond Investment Exchange Pte. Ltd
Kundan Zamvar B.Com CISA, CISO, Diploma in IT [#]	45	Vice President - IT and CISO (Resigned on 13-10-2020)	31,80,321	19	4-Apr-13	Auditime Quality Management Pvt Ltd
P. K. Ramesh BSc., MA (Economics), MBA (Finance), LLB and PG in Securities Law	59	Chief Regulatory Officer & Compliance Officer	46,00,000	36	24-May-18	United Stock Exchange
Manisha Thakur B.Com, Company Secretary (ACS), B.com, LLB	54	Company Secretary (Head - Legal & Secretarial) (w.e.f. 13-05-2020)	34,99,992	27	01-Apr-20	Consultant at MSE, Indian Clearing Corporation Ltd.
Oshrith Davidhai Gadkar M.Com, PGDHRM ^{&}	35	AVP- Human Resources 01-04-2020 to 02-04-2020)	11,783	12	10-Jul-17	Motilal Oswal Financial Services
Neeraj Omprakash Gupta Diploma in Computer Engineering ^{&}	47	Chief Technology Officer (w.e.f. 19-01-2021)	8,87,671	25	19-Jan-21	Indian Commodity Exchange

*Total Remuneration stated above is excluding 50% variable pay of Rs. 12,50,000 for FY 2020-21 which was paid on July 31, 2021 and balance 50% of Variable Pay to be paid on deferred basis after three (3) years as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

\$ Appointed as Chief Financial Officer (CFO) w.e.f. August 21, 2020. His terms of appointment also comprises of variable pay for FY 2020-21 which is yet to be paid

Mr. Kundan Zamvar held 3,00,000 shares and Mr. Saket Bhansali is holding 8,575 shares

& Was KMP for part of the year

Notes:

1. None of the above employees is a relative of any Director of the Company.
2. Except Mr. Saket Bhansali, as on March 31, 2021, 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.
3. Nature of employment: Above employees are / were KMP's of the Company.

For and on behalf of the Board of Directors

Latika S. Kundu

Managing Director & CEO

DIN: 08561873

Dinesh Kumar Mehrotra

Chairman

DIN: 00142711

Date: November 12, 2021

Place: Mumbai

ANNEXURE V– Boards’ Report
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

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2020-21 and ratio of the remuneration to the median remuneration of all the employees of the Company:

Sr. No	Name of Director/ KMP and Designation	% increase (decrease) in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/KMP to median remuneration of employees
1	Mr. D. K. Mehrotra* Chairman and Public Interest Director	*	1:1.82
2	Mr. Ketan Vikamsey*## Public Interest Director	*	1:0.32
3	Mr. Sudhir Bassi*### Shareholder Director	*	1:0.70
4	Ms. Trishna Guha* Public Interest Director	*	1:1.91
5	Mr. S. V. D. Nageswara Rao* Public Interest Director	*	1:2.26
6	Mr. Vijay Sardana* Public Interest Director	*	1:1.55
7	Ms. Latika S. Kundu Managing Director & CEO	No increase or decrease in the remuneration	1:7.33
8	Mr. Kunal Sanghavi#### Chief Financial Officer	Not Applicable	Not Applicable
9	Mr. Saket Bhansali#####	No increase or decrease in the remuneration	1:8.02
10	Ms. Manisha Thakur#####	No increase or decrease in the remuneration	1:5.13

Note:

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

Mr. Ketan Vikamsey resigned as Public Interest Director on June 19, 2020

Mr. Sudhir Bassi retired as Shareholder Director on December 18, 2020

Mr. Kunal Sanghavi resigned w.e.f April 13, 2020.

Mr. Saket Bhansali - Head (New Initiatives) appointed as Chief Financial Officer w.e.f August 21, 2020

Ms. Manisha Thakur - Head - Legal and Company Secretary appointed w.e.f May 13, 2020

- The percentage increase in the median remuneration of employees in the financial year 2020-21 is 46.25%, however the total remuneration as on March 31, 2021 vis-a-vis March 31, 2020 decreased by Rs. 1.49 crore. The total remuneration paid to the employees as on March 31, 2021 was Rs. 15.37 crore as against Rs. 16.86 crore on March 31, 2020.
- The number of permanent employees on the rolls of company as on March 31, 2021 was 145 employees.
- 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 exceptions 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 Nil
- It is hereby affirmed that the remuneration paid during the year is as per the remuneration policy of the Company.

ANNEXURE VI – Boards Report**Form No. MR-3****SECRETARIAL AUDIT REPORT****For the Financial year ended 31st March, 2021**

(Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule No.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) (Legal Entity Identifier (LEI) Number - 3358002YCEYDX7UK4352) (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.

Due to restricted movement and COVID-19 pandemic, we have conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The Management has confirmed that the records submitted to us are true and correct. Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 (**“Audit Period”**), generally 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, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities & Exchange Board of India Act, 1991 and its circulars;
- (iii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iv) The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and other Circulars;
- (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) as specifically applicable to the Company;
 - a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; to the extent applicable;
 - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c) Prevention of Money Laundering Act, 2002

We have also examined compliance with the applicable clause of Secretarial Standards issued by The Institute of Company Secretaries of India;

Based on the aforesaid information provided by the Company, we report that during the Audit Period, 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, except there is no Director in the Board of Directors who can be made liable to retire by rotation pursuant to provisions of Section 152 of the Act. The Company has informed that they are in the process of appointing a Shareholder Director but the appointment of Shareholder Director can be made only after following the due process mentioned in Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. 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 wherever there were dissenting views, the same 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;

- (i) Mr. Ketan Shivji Vikamsey, Public Interest Director (PID) resigned w.e.f. 19th June, 2020.
- (ii) Mr. Sudhir Bassi, Shareholder Director retired by rotation at the last Annual General Meeting held on 18th December, 2020.
- (iii) The entire Board of Directors of the Company is consisting of Directors not liable to retire by rotation. Hence there is no Director who is liable to retire by rotation and comply with provisions of section 152 of the Companies Act, 2013. The Company is in the process of appointing a Shareholder Director but the appointment of Shareholder Director can be made only after following the due process mentioned in Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.
- (iv) Mr. Ajai Kumar was reappointed as Public Interest Director (PID) w.e.f. 23rd October, 2020. Mr. Ajai Kumar's first term as PID was from 5th April, 2017 to 6th August, 2018 (Date of his Resignation).
- (v) Ms. Latika S. Kundu has been appointed as Managing Director & CEO with effect from 12th March, 2020, obtaining the necessary approvals, whereas Form MR-2 – Application to Central Government for appointment of managing director, filed with Central Government is still under process. Mr. Kunal Sanghavi, Chief Financial Officer (CFO) resigned w.e.f. 13th April, 2020. Mr. Saket Bhansali who was appointed as Head (New Initiatives) was appointed as Chief Financial Officer w.e.f. 21 th August, 2020. Ms. Manisha Thakur was appointed as Company Secretary w.e.f. 13th May, 2020.
- (vi) We have been informed that the Clearing & Settlement Agreement dated 1st October, 2012 (C&S Agreement), entered with the Subsidiary Company - Metropolitan Clearing Corporation of India Limited (MCCIL) became redundant, unenforceable and was overridden after the execution of Multiparty Interoperability Agreement (IO) w.e.f. 1st June, 2019 for Currency Derivatives, Equity and Equity Derivatives segments. Hence, the Company had issued a letter to MCCIL on 15th September, 2020 for termination of C&S Agreement as applicable to Debt Segment which was temporarily suspended with effect from 18th September, 2020, as there were no trades in this segment since 2013. Despite the same MCCIL continued to raise invoices aggregating to Rs.644.44 Lakhs (excluding taxes) for FY 2020-21 towards Clearing and Settlement Charges under the aforesaid C&S Agreement. MSE disputed these unjustified invoices and accordingly has not provided for in books of accounts and considered as a 'Contingent Liability - Claim against the Company not acknowledged as debt'. The Company has requested MCCIL to withdraw the invoices.

(vii) As per letter no. RD/WR/Insp/Metropolitan/4235 to 4242 dated 25th March, 2021, from Regional Director, Western Region, Ministry of Corporate Affairs inspection of the Company commenced under section 206(5) of the Companies Act, 2013. The Company has confirmed that they have furnished necessary information to the Regional Director. As specified vide SEBI's letter dated 9th June, 2021, an Audit has commenced and is being carried out by Ernst & Young as per scope specified by SEBI, as on the date of this report.

(viii) The Company had received fit and proper declarations from shareholders holding over 2% shares, except for IL&FS Financial Services Limited (IL&FS). IL&FS did not submit the Fit and Proper declaration upon which MSE had informed to SEBI. IL&FS vide its letter dated 29th April, 2021 had reiterated its submissions to SEBI regarding their shareholding which stated that IL&FS which holds 11,91,09,627 equity shares and has filed a suit for specific performance against La Fin Financial Services Private Limited ("La Fin") which is pending before the Hon'ble Bombay High Court and upon final adjudication, could be required to tender 2,71,65,000 shares to La Fin or its nominees and that excluding these shares, their shareholding would be less than 2% and therefore, pending the above suit, IL&FS has not filed the declaration.

The Company has advised IL&FS that their clarification is not supported by any order/ directions of court or regulatory body governing the Company and therefore their self-assessment of shareholding in the Company being less than 2% is without any basis and hence considered void by the Company.

(ix) The Company had shifted its registered office on following occasions:

- (a) from 4th floor, Vibgyor Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098 to 501, 5th floor, Vibgyor Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098 w.e.f 1st January, 2021.
- (b) from 501, 5th floor, Vibgyor Tower, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098 to Building A, 205(A), 2nd floor, Piramal Agastya Corporate Park, Kamani Junction, LBS Road, Kurla (West), Mumbai – 400 070 w.e.f. 1st April, 2021.

and there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

**For DSM & Associates,
Company Secretaries**

Sd/-

CS Sanam Umbargikar

Partner

M.No. 26141.

CoP No.9394.

Date: 14th August, 2021

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
UCN:P2015MH038100.***

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

Date: 14th August, 2021.
Place: Mumbai.

A. SEKAR
B.COM, FCMA, ACS, LLB (GEN)
COMPANY SECRETARY
B 305, Sai Jyote,
Lalubhai Park West,
VILE PARLE WEST, MUMBAI 400 056
Phone : 26716211
EMAIL : a.sekar.cs@gmail.com

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2021

(Pursuant to section 204(1) of the Companies Act, 2013 and the Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members of
Metropolitan Clearing Corporation of India Limited
CIN: U67120MH2008PLC188032
Bldg. A, Unit 205B, 2nd Floor,
Agastya Corporate Park, Sundar Baug Lane,
Kamani Junction, LBS Marg, Kurla West
Mumbai – 400070.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Metropolitan Clearing Corporation of India Limited (CIN:U67120MH2008PLC188032) (hereinafter referred as "The Company"). I 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 my 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, I hereby report that in our opinion, the Company has, during the audit period covered for the financial year ended 31st March, 2021 ("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:

I 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, 2021, 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, 2018 (hereinafter referred to as "SECC Regulations, 2018)) read with the circulars issued pursuant thereto;
- (iv) The Depositories Act, 1996 and the regulations and bye laws framed there under;
- (v) 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;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act);
 - a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;to the extent applicable
 - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;

For the year under review, the provisions of the following Acts / Regulations were not applicable to the company: -

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- b) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- f) The Securities and Exchange Board of India (Share Based Employee Payments Regulations), 2014.

I have also examined compliance with the applicable clause of:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;

Based on the aforesaid information provided by the Company, I report that during the financial year under review, the Company has complied with the provisions of the abovementioned Acts, Rules, Regulations, Guidelines, Standards, etc. to the extent applicable.

The company has formulated a Compliance Management System to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, which in my opinion are prima facie commensurate with the size and operations of the company. The systems and processes in the company for compliance management are continuously reviewed by the Management so as to ensure that they are at any point of time commensurate with the size and operations of the company with respect to monitoring the compliance with applicable laws, rules, regulations and guidelines.

I further report that

- (a) The Board of Directors of the Company consists of sufficient number of Public Interest Directors, Shareholder Directors Managing Director etc. as required under the Act and Regulations.
- (b) 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, except in cases where meetings have been held at short notice 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.
- (c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board and committees were unanimous, except in quite a few cases where dissenting views were recorded by Shareholder Directors.
- (d) With respect to the requirement to evaluation of the Performance of all the Directors individually as well as the Board as a whole, the Chairman and the Committees, it has been explained that the shareholder Directors did not evaluate the performance of:
 - (i) the Managing Director (MD) / CEO on the ground that the MD/CEO has joined recently and they do not have sufficient information to evaluate his performance and
 - (ii) the Board, Chairman and the Committees on the ground citing that they had expressed dissent on many items where the shareholder Directors felt that the same were not in due compliance with parent Board's directions and shareholders' interest and that it may not be appropriate to conduct the evaluation.

I further report that based on compliance mechanism established by the Company and on the basis of compliance certificates issued in terms of Regulation 33 of the SECC Regulations, 2018 by the Compliance Officer appointed under SECC Regulations, 2018 and taken on record by the Board of Directors, 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. Also as informed, the Company has responded appropriately to notices received from various statutory authorities / regulatory authorities including initiating actions for corrective measures, where found necessary.

I further report that during the Audit Period;

- (a) With respect to the implementation of the order passed by Hon'ble National Company Law Tribunal, Mumbai (Tribunal) dated 19th August, 2019 read with the amendment dated 18th September, 2019, for the reduction in Equity share capital by INR 170 crores, an amount of Rs.3,30,93,974/- is shown under the head "Current Liabilities" in the Balance Sheet as at 31st March, 2021, being amounts payable to 63 Moons Technologies Limited, which has been set aside as per the order of the Tribunal pending further directions from Securities and Exchange Board of India (SEBI).
- (b) The Company (MCCIL) has raised invoice on MSE in terms of the Clearing and Settlement Agreement (C&S Agreement) dated October 01, 2012 for the Financial Year 2020-21. MSE has rejected the invoices citing that C&S agreement signed in 2012 is no longer valid post implementation of interoperability (IO) as a multi-partite IO Agreement was executed effective from June 1, 2019 for C&S charges for Currency Derivatives Segment (CDS), Equity Derivatives Segment (EDS) and Equity segment and hence C&S Agreement had been overridden by IO Agreement for CDS, EDS and Equity segments w.e.f. June 1, 2019. Further, MSE has issued a letter to MCCIL on September 15, 2020 for termination of C&S Agreement as applicable to Debt segment which was temporarily suspended with effect from September 18, 2020 as there were no trades in this segment since 2013. SEBI has vide communication dated 02.02.2021 clarified that unless MSE has any other agreement with any of the clearing corporations in respect of the debt segment, the extant C&S Agreement between MCCIL and MSE shall remain in operation.
- (c) During the audit period, the company has shifted its registered office within the local limits of Mumbai from Vibgyor Towers, Bandra East, Mumbai to Agastya Corporate Park, Kurla West, Mumbai in compliance of the provisions of the Companies Act, 2013.

This report is to be read with our letters of even date which is annexed as Annexure I

Place: Mumbai
Date: 7th June, 2021

A SEKAR
Company Secretary
ACS 8649 CP 2450
UDIN: A008649C000430400

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. Following the nation-wide lockdown implemented by the Central and State Governments arising out of COVID-19 situation, all the documents including the statutory records, extract of the minutes of the meetings of the Board of Directors and their Committees for the Audit period were verified on the basis of the documents and records uploaded by the Company in the Virtual Data Room (VDR).
3. After appropriately considering the circumstances arising out of the situation explained in Paragraph 2, I confirm that I 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. I believe that the processes and practices followed provide a reasonable basis for my opinion.
4. I have not verified the correctness, appropriateness of financial records and books of accounts of the Company and records pertaining to direct and indirect taxation of the company, which I believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013.
5. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. 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.
7. 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.

Place: Mumbai
Date: 7th June, 2021

A SEKAR
Company Secretary
ACS 8649 CP 2450
UDIN: A008649C000430400

ANNEXURE VII – Boards Report

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2021
[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	Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400 070. 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	KFin Technologies 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@kfintech.com Tel.No.: +91-040-6716 2222 Contact person Ms. Rajitha Cholleti Sr. Manager- Corporate Registry E-Mail: einward.ris@kfintech.com Tel. No.: +91-040-6716 2222

II. Principal business activities of the Company:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Recognised stock exchange providing financial market operational services	9971	100%

III. Particulars of holding, subsidiary and associate companies as on March 31, 2021:

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 Building A, Unit 205B, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400 070.	U67120MH2008 PLC188032	Subsidiary	95.85%	2(87)(ii)

S. No	Name And Address Of The Company	CIN/GIN	Holding/Subsidiary / Associate	% Of Shares Held	Applicable Section
2	MSE Fintech Limited (Formerly known as MCX-SX KYC Registration Agency Limited) Building A, Unit 205B, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400 070.	U72100MH2012 PLC227604	Wholly owned Subsidiary	100%	2(87)(ii)

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity) as on March 31, 2021

I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2020)				No. of Shares held at the end of the year (March 31, 2021)				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	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	71,87,92,705	-	71,87,92,705	14.94	71,87,83,832	-	71,87,83,832	14.94	No Change
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	71,87,92,705	-	71,87,92,705	14.94	71,87,83,832	-	71,87,83,832	14.94	
2. Non-Institutions									
a) Bodies Corp & LLP	91,33,20,724	-	91,33,20,724	18.99	88,94,82,884	-	88,94,82,884	18.49	-0.50
i) Indian									
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual share- holders holding nominal share capital up to Rs. 1 lakh	86,32,40,668	-	86,32,40,668	17.95	92,60,02,515	-	92,60,02,515	19.25	1,30
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1,97,62,73,592	-	1,97,62,73,592	41.08	1,93,59,63,341	-	1,93,59,63,341	40.25	-0.83
c) Others (specify)									
Trust	56,72,734	-	56,72,734	0.12	56,72,734	-	56,72,734	0.12	No change
HUF	21,35,53,114	-	21,35,53,114	4.44	21,68,48,231	-	21,68,48,231	4.51	0.07
Partnership firm	11,93,63,496	-	11,93,63,496	2.5	11,74,63,496	-	11,74,63,496	2.44	-0.04
Sub-total (B)(2)	4,09,14,24,328	-	4,09,14,24,328	85.06	4,09,14,33,201	-	4,09,14,33,201	85.06	No change
Total Public Shareholding (B)= (B)(1)+(B)(2)	4,81,02,17,033	-	4,81,02,17,033	100	4,81,02,17,033	-	4,81,02,17,033	100	No change
by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4,81,02,17,033	-	4,81,02,17,033	100	4,81,02,17,033	-	4,81,02,17,033	100	No change

- 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, 2020)		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (April 1, 2020 to March 31, 2021)	
		No. of shares	% of total shares				No. of shares	% of total shares
1	MULTI COMMODITY EXCHANGE OF INDIA LIMITED	33,17,77,008	6.90	1-Apr-2020	0	-	33,17,77,008	6.90
				31-Mar-2021	0	-	33,17,77,008	6.90
2	SIDDHARTH BALACHANDRAN	23,84,09,950	4.96	1-Apr-2020	0	-	23,84,09,950	4.96
				31-Mar-2021	0	-	23,84,09,950	4.96
3	RADHAKISHAN S DAMANI	11,93,63,496	2.48	1-Apr-2020	0	-	11,93,63,496	2.48
				31-Mar-2021	-0.04	Sell	11,74,63,496	2.44
4	TRUST INVESTMENT ADVISORS PRIVATE LIMITED	11,91,15,930	2.48	1-Apr-2020	0	-	11,91,15,930	2.48
				31-Mar-2021	0	-	11,91,15,930	2.48
5	IL AND FS FINANCIAL SERVICES LIMITED	119,109,627	2.48	1-Apr-2020	0	-	119,109,627	2.48
				31-Mar-2021	0	-	119,109,627	2.48
6	UNION BANK OF INDIA	10,87,50,000	2.26	1-Apr-2020	0	-	10,87,50,000	2.26
				31-Mar-2021	1.04	Merger	15,87,50,000	3.30
7	STATE BANK OF INDIA	9,74,00,000	2.02	1-Apr-2020	0	-	9,74,00,000	2.02
				31-Mar-2021	0	-	9,74,00,000	2.02
8	NEMISH S SHAH	9,73,70,000	2.02	1-Apr-2020	0	-	9,73,70,000	2.02
				31-Mar-2021	0	-	9,73,70,000	2.02
9	AADI FINANCIAL ADVISORS LLP	9,73,50,000	2.02	1-Apr-2020	0	-	9,73,50,000	2.02
				31-Mar-2021	0	-	9,73,50,000	2.02
10	BANK OF BARODA	9,37,57,564	1.95	1-Apr-2020	0	-	9,37,57,564	1.95
				31-Mar-2021	0	-	9,37,57,564	1.95

- v. Shareholding of Directors and Key Managerial Personnel: -

Name	Shareholding at the beginning of the year (April 1, 2020)		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year (April 1, 2020 to March 31, 2021)	
	No. of shares	% of total shares				No. of shares	% of total shares
Mr. Kundan Zamvar (resigned w.e.f October 13, 2020)	3,00,000	0.00	April 01, 2020 – October 13, 2020)	N.A	-	3,00,000 (upto October 13, 2020)	0.00
Mr. Saket Bhansali (CFO w.e.f August 12, 2020)	9,075	0.00	April 01, 2020 – March 31, 2021	Decrease (500 shares)	Sold	8,575	0.00

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

	Secured Loans excluding deposits (Rs)	Unsecured Loans (Rs)	Deposits (Rs)	Total Indebtedness (Rs)
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	NIL	NIL	NIL	NIL
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	Ms. Latika S. Kundu MD & CEO April 2020 – March, 2021 (Rs)
1	Gross salary (A)	49,99,992
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission	Nil
5	Others, please specify (B)	
	Total (A) + (B)	49,99,992*
	Ceiling as per the Act	As per Schedule V Part II Section II of Companies Act 2013

* Total Remuneration stated above is excluding 50% variable pay of Rs. 12,50,000 for FY 2020-21 which was paid on July 31, 2021 and balance 50% of Variable Pay to be paid on deferred basis after three (3) years as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

Remuneration to other directors:

(in Rs)

Sr. No.	Particulars of Remuneration	Name of Directors							Total
		Trishna Guha	S.V.D. Nageswara Rao	Dinesh Kumar Mehrotra	Ketan Vikamsey*	Vijay Sardana	Ajay Kumar**	Sudhir Bassi***	
1	Independent Directors	13,00,000	15,40,000	12,40,000	2,20,000	10,60,000	7,20,000	NIL	
	• Fee for attending board committee meetings (Rs)								
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
	Total (1) (Rs)	13,00,000	15,40,000	12,40,000	2,20,000	10,60,000	7,20,000	NIL	60,80,000
2	Other Non-Executive Directors								
	• Fee for attending board committee meetings (Rs)	NIL	NIL	NIL	NIL	NIL	NIL	4,80,000	
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
	Total (2) (Rs)	NIL	NIL	NIL	NIL	NIL	NIL	4,80,000	4,80,000
	Total (B)=(1+2) (Rs)								65,60,000
	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.							

* Mr. Ketan Vikamsey resigned as PID on June 19, 2020.

** Mr. Ajai Kumar had been appointed previously as a Public Interest Director (PID) of Metropolitan Stock Exchange Of India Limited from April 05, 2017 upto August 06, 2018 (date of his resignation). Reappointed on October 23, 2020 as PID

*** Mr. Sudhir Bassi, SHD retired w.e.f. December 18, 2020.

B. Remuneration to key managerial personnel other than MD/Manager/WTD

(in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Chief Financial Officer (Mr. Kunal Sanghavi)	Head – New Initiatives and Chief Financial Officer (Mr. Saket Bhansali)*	Head – Legal and Company Secretary (Ms. Manisha Thakur)**	
		April 01, 2020 – April 13, 2020	April 03, 2020 – March 31, 2021	April 1, 2020 – March 31, 2021	
1	Gross salary	Rs.	Rs.	Rs.	Rs.
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,80,980	54,69,863	34,99,992	1,04,50,835
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify.	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	14,80,980	54,69,863	34,99,992	1,04,50,835

*Appointed as Chief Financial Officer (CFO) is w.e.f. August 21, 2020. His terms of appointment also comprises of variable pay for FY 2020-21 which is yet to be paid

**Appointed as Company Secretary w.e.f. May 13, 2020

None of the employees named above is relative of any Director of the Company.

VII. Penalties / Punishment/ Compounding of offences – None
For and on behalf of the Board of Directors

Latika S. Kundu
 Managing Director & CEO
 DIN: 08561873

Dinesh Kumar Mehrotra
 Chairman
 DIN: 00142711

Date: November 12, 2021

Place: Mumbai

ANNEXURE VIII – Boards Report**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 and Equity Cash & Equity Derivatives segments. The Exchange employs advanced trading technology and IT infrastructure with significant scalable capacity and proven capability of handling high volume trades.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Stock Exchanges are crucial market intermediaries and are supervised by the Securities and Exchange Board of India (SEBI). It is a tool for nation building and a major job creator. The Exchange space spans many asset classes – Equities, Equity Derivatives, ETFs, REITs, InVITs, Corporate and Government Bonds, Interest Rate Derivatives and Commodity Derivatives etc. The Exchange ecosystem supports various intermediaries’ including stock brokers, authorized persons, corporates, banks, depositories, depository participants, custodians and investors.

The Indian capital markets industry is focused on developing investor-friendly ecosystem with the help of market regulator. The Indian markets have been expanding on a huge scale in the last few years. Further, strong regulatory regime and innovations have fuelled the same. Introduction of interoperability, launch of SMART (Securities Markets Trainers) programs and introduction of T+1 rolling settlement– all have been aimed in making efficient markets and greater investor participation.

2. GLOBAL ECONOMIC OUTLOOK

Across the globe, interest rates have been on a decline in the last year, prompting investors to explore alternative investment opportunities in search for better returns. This has helped the Capital Markets in achieving greater participation driven by new set of first-generation investors. There was also renewed optimism as vaccines for COVID-19 were rolled out during the year. While several economies began to recover from the pandemic, there were concerns on inflationary pressures as the cost of goods and services begin to accelerate. However, several economies experienced the emergence of new variants of the COVID-19 virus, which led to further government-led measures to stem its spread and stimulate economic growth. With investors rebalancing their portfolios to adjust to the constantly evolving environment, the flow of capital between asset classes led to heightened volatility in underlying equities, currencies and commodities markets.

Asia is expected to continue to lead global economic growth as regional economies begin to recover with the roll-out of COVID-19 vaccines. Global recovery continues but the momentum has weakened and uncertainty has increased. The global economic recovery is continuing, even as the pandemic resurges. The fault lines opened up by COVID-19 are looking more persistent—near-term divergences are expected to leave lasting imprints on medium-term performance. Vaccine access and early policy support are the principal drivers of the gaps.

The global economy is projected to grow 5.9 percent in 2021 and 4.9 percent in 2022, 0.1 percentage point lower for 2021 than in the July forecast. (Source IMF) The downward revision for 2021 reflects a downgrade for advanced economies—in part due to supply disruptions—and for low-income developing countries, largely due to worsening pandemic dynamics. This is partially offset by stronger near-term prospects among some commodity-exporting emerging market and developing economies. Rapid spread of Delta and the threat of new variants have increased uncertainty about how quickly the pandemic can be overcome. Policy choices have become more difficult, with limited room to maneuver.

Policy support has helped create the conditions for a handoff to private demand in the recovery. Where deployed, extensive fiscal measures have provided insurance to households and firms, enabling many to replenish or build up their savings, and creating the conditions for private demand to propel the recovery, particularly in 2022 when the advanced economy group is projected to shift its fiscal stance toward tightening. Indeed, household savings accumulated in excess of the pre-pandemic trend shows a positive relationship vis-à-vis the extent of fiscal support.

Moreover, there are signs that historically low-saving countries have tended to accumulate greater savings in the wake of the COVID-19 crisis, putting their finances on firmer footing going forward. The forecast assumes a smooth

handoff from extraordinary policy support to private activity-led growth, with some of the additional savings build-up retained in places where previous saving rates were low. Demand is assumed to pick up as vaccination coverage rises— given that vaccines seem to protect against severe illness. The speed with which this happens—and excess savings are drawn down—will influence the pace of the recovery and inflationary pressures.

DOMESTIC ECONOMIC OUTLOOK

The Indian economy witnessed an expansion in the third and fourth quarters of the financial year 2020-21 after contracting during the first two quarters. The Indian economy grew at a record pace of 20.1% in April-June 2021. Strong growth projections of India have been forecasted by a number of institutions: Moody's have pegged the Indian economy to grow at 9.5% for FY22, RBI has pegged GDP growth at 9.5% while Goldman Sachs has revised its earlier projections to 9.1% recently.

Even though high demand for US treasuries drove down bond rates at the peak of the crisis in 2020, only a few economies witnessed a sharp widening of the interest rate spread with respect to the 10-year benchmark rate of the United States, suggesting rising risks associated with holding sovereign assets of those few nations. As a result, not all economies saw a rapid sovereign sell-off. India was the only nation whose yield spread (vis-à-vis the United States) did not deteriorate after February 2020. India is also the only nation that has seen its 10-year sovereign yield decline since January 2020, despite pandemic-related uncertainties. The trajectory of the yield suggests that risks associated with sovereign borrowings have declined and India's creditworthiness has improved despite the deep economic recession and uncertainties. This may be an outcome of a relatively stronger economic outlook and stable domestic currency, all of which have improved investor confidence for India.

Capital markets across the world were badly hit post the onset of the pandemic, although the steepest decline was in February 2020, except in Turkey. Fierce asset sell-off and a sudden outflow of portfolio investment led to a sharp fall in equity prices. The markets have stabilized since, but the improvement has varied significantly across nations. Many emerging nations have not been able to reverse the stock market trends yet.

The capital markets of two nations have stood out in reversing the trend and are growing aggressively—India and Vietnam. This probably indicates that a portion of capital withdrawn from all other nations flowed into these two economies as global corporations explored alternate investment destinations to diversify the supply chain. Robust foreign investment inflows resulted in strong growth in the Indian capital market as investors' risk perception of India as an alternate investment destination improved. India was among the very few nations that witnessed strong foreign direct investment (FDI) in 2020 and the momentum has continued even in 2021. Recent reforms and policies in few sectors such as insurance, telecommunications services, and defense have attracted global investors. Schemes such as the production-linked incentive (PLI) and labor reforms have increased foreign interest in several investable. Besides, the national monetization pipeline of brownfield assets is likely to generate investment interests and attract foreign capital.

INDUSTRY OUTLOOK

The landscape across financial markets infrastructure and data is fast moving, dynamic and has evolved significantly in recent years. There are a number of key trends and drivers of change which are shaping both the current and future needs of the investors, and therefore influencing the Exchange industry's strategy and plans:

- Disruption through innovation and competition
- Higher demand for multi-asset class solutions
- Building a resilient technology and enhanced cyber security
- Digitization and automation enabled through Artificial Intelligence, Machine Learning and greater demand for data-driven solutions
- Growth in ESG, social responsibility and climate related awareness

The participation in capital markets, especially from the millennials has bolstered up in recent times marked by the onset of the pandemic, beginning of prolonged low interest rate regime, increasing accessibility and ease of trading. Traditional financial market infrastructure business is under a lot of modifications as new age digital solutions take

up the course. Markets using block chain technologies would reduce counterparty and liquidity risks, remove redundancies and inefficiencies in processing and lower costs at clearing, depository etc. Blockchain based Central Bank Digital Currencies are rapidly emerging today and RBI is also aggressively looking into the same. Their arrival would stimulate growth in the development of fully digital asset markets. In the future, blockchain based technology could enable an Exchange to support any asset or market, creating new disruptions and vistas of opportunity for all market participants. The revolution has already begun with SEBI asking depositories to adopt the same.

The current market size will change significantly with the continuation of the low interest regime. Multifold increase in investments through PMS and Mutual funds, building of differentiated data assets like insight driven indices or securitization structures enabled by tokenization bringing emerging or illiquid assets such as environmental-benefit linked securities like RECs, green bonds and development of spot markets are on the verge now. A possible step now would be to develop a strategic transformation agenda that can be executed with initiatives geared towards upgrading legacy infrastructure, introducing agility or decoupling for digital.

3. MSE'S OUTLOOK

MSE continues to focus on strengthening the core business and increasing its footprint in the market. MSE also envisages expanding beyond its core product and build new lines of business as it grows and expands. We are in the process of creating a robust and resilient business model and a world-class trading infrastructure ecosystem by employing and leveraging technology, innovation and partnerships. We have set out a vision of attracting liquidity by providing broader and more effective access beyond the Tier III and Tier IV cities. We plan to create a competitive and comprehensive one-stop solution for investors and facilitate further through secure, effective and transparent channels across asset classes.

Innovation is the key in this ever-changing world. A pragmatic approach to this would be investing in research and development of products and technology with the help of market and domain experts. MSE would continue to explore the opportunities of introducing new asset classes to the Indian capital market ecosystem. Thus, MSE plans to span its product across asset classes and provide customers with access to critical workflow tools that are designed to increase asset class transparency and workflow efficiency. We visualize to diversify our product offerings base and generate a diversified mix of recurring revenues in the long run like Exchange data services, Analytics, Listing revenues, other network and related data services etc.

Technology is an important factor in the business strategy and growth story. MSE focuses on employing and developing state-of-the-art technology in setting up its competitive position in the market. Our robust technology solutions would aim in supporting customers' workflow (trading technology), multi-asset class analytics and flexible connectivity and delivery solutions. In the long run, we plan to execute our growth strategy by positioning ourselves as an emerging leader in the platform business. We may enter into business combinations, enter into strategic partnerships, or alliances, any of which is material to leverage our existing strength to widen our customer base and become the eye in addressing the underserved markets.

The markets we operate are highly competitive. We face competition in several aspects of our business from competitor Exchanges. However, we believe that the principle tenet for development of the financial markets in India is competition. Competition would not only be instrumental in widening the product offerings but it would create the base for driving participation from a greater audience by providing competitive prices, improved customer services, cutting edge disruption technology and ultimately be the driving factor in generating a more resilient capital market ecosystem. It would help investors in gaining knowledge and education about the capital markets and strive in the making of a mature market in the years to come. We would facilitate and promote the shift occurring from the traditional savings instruments to the capital markets by hand-holding these new investors and building a vibrant infrastructure.

4. IMPORTANT DEVELOPMENTS

I. UCC Updation

The Exchange has issued various circulars and advised trading members to ensure strict compliance and adhere to adequate due diligence for updation of existing clients data as well as new clients while on-boarding.

Further trading members are required to update the correct KYC of the clients / Client Master database with mandatory fields.

II. Mobile Number Revocation list (MNRL) published on Telecom Regulatory Authority of India (TRAI) website

As per SEBI directives vide letter no. SEBI/HO/MIRSD/DOP/OW/P/2020/11531/1 dated July 09, 2020 and Exchange circular MSE/ID/9288/2020 dated July 30, 2020, trading members are advised to check the list on a monthly basis of the permanently disconnected mobile numbers i.e. Mobile Number Revocation List (MNRL) made available by Telecom Regulatory Authority of India (TRAI) on their website. This list enables the interested parties are required to clean up their database, thereby not sending any further communication to person other than their clients.

III. Order Based Surveillance Measure - Persistent Noise Creators (PNC)

To further strengthen the order level surveillance mechanism, an additional order based surveillance measure to deter persistent noise creators i.e. excessive order modifications/ cancellations with an intent to avoid execution, Exchange has issued circular MSE/SURV/10261/2021 dated March 26, 2021.

IV. Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default

This is with reference to the SEBI circular SEBI/HO/MIRSD/DOP/CIR/P/2018/153 dated December 17, 2018 on the subject 'Early Warning Mechanism to prevent diversion of client securities' wherein SEBI has put in place Early Warning Mechanism and sharing of information between Stock Exchanges, Depositories and Clearing Corporations to detect the diversion of client's securities by the stock broker at an early stage so as to take appropriate preventive measures.

With the introduction of uniform membership structure of Trading Members (**TM**), CM shall make good the default of its clients / TM to the CC. The default of TM may not necessarily lead to default of CM, if the CM continues to fulfill the settlement obligation with the CC. Thus, in order to protect the interest of non-defaulting clients of a TM and /or non-defaulting clients / TM(s) of the CM in the likely event of default by TM/ CM and to achieve uniformity in implementation of actions amongst all Stock Exchanges ("**SEs**")/ Clearing Corporations ("**CC**") / Depositories in a time bound manner. SEBI in consultation with SEs, CCs and Depositories prepared Standard Operating Procedure ("**SoP**"). The SoP lays down the actions to be initiated by the SEs / CCs / Depositories within a time frame after detection of the early warning signals as laid out in the Circular dated December 17, 2018 and other triggers until declaration of defaulter of TM/CM by the SE/CC. SEBI has issued the said SoP vide circular Ref. no. SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 dated July 01, 2020. Subsequently, MSE has issued the said circular to the market on July 02, 2020.

V. SEBI's new peak margin rules

SEBI has introduced some significant changes in norms of intraday margins via circular ref. no. SEBI/HO/MRD2/DCAP/CIR/P/2020/127 dated July 20, 2020 which has been effective from December 01, 2020. It (SEBI) has introduced the concept of peak margin reporting in which stockbrokers will not only calculate margin based on the End-Of-The-Day position but the intraday peak position.

To arrive at an intraday peak position margin, Clearing Corporations will randomly take 4 snapshots during the day in pre-defined time windows of all the margins. The number of times snapshots need to be sent in a day may be decided by Clearing Corporation subject to a minimum of 4 snapshots in a day.

The highest margin out of these four snapshots will become the peak margin of the day. This method will be applicable to the cash and derivatives segments.

Daily peak margin obligation of the client will be compared with his/her margin available with the broker and the higher shortfall in collection of margin obligation shall be considered for levying of penalty as per the extant framework, as per SEBI's circular.

The peak margin concept was implemented in a phased manner. In the first phase, traders were supposed to maintain at least 25 per cent of the peak margin between December 2020 and February 2021. This margin was raised to 50 per cent between March and May in the second phase and is proposed to be raised to 75 per cent

between June and August in the third phase and finally to 100 per cent from September 01, 2021 onwards.

VI. Technology Enablement Program for Members

Exchange continues Technology Enablement Program for Members which was launched with effect from June 01, 2020 which includes number of measures to enable member participation for trading on the Exchange platform.

Exchange also continues its new membership scheme namely “Ghar Wapsi Scheme” under which members who have surrendered their membership up to May 31, 2020 and now wish to re-apply to avail the above benefits shall not be charged any ‘Membership Admission Fees’.

VII. Cross Currency Revised Close Timings

In order to help market participants tide over challenges due to COVID 19, SEBI continues its temporary measure of curtailed closing hours for Cross Currency in Currency derivatives segment which were modified from 07:30 p.m. to 05:00 p.m. with effective from 30th March, 2020.

VIII. SEBI lays down the separate standard operating procedure for handling of complaints against Listed company by Exchanges

SEBI vide its circular no. SEBI/HO/OIAE/IGRD/CIR/P/2020/152, dated 13 August, 2020 lays down the procedure for handling complaints by the stock exchanges as well as standard operating procedure for actions to be taken against listed companies for failure to redress investor grievances. Also, mentioned the action for failure to redress Investor complaints, actions after redressal of Investor complaint by the company, timelines for handling of complaints and nature of complaint which is applicable for the said circular.

IX. Strengthening of Investor Grievance Redressal Mechanism (IGRC)

SEBI vide its circular no. SEBI/HO/MIRSD/DOC/CIR/P/2020/226, November 06, 2020 further strengthening of Investor Grievance redress Mechanism based on the feedback received from market participants and working group for the purpose. It clarifies the resolution of complaints like timeline, service related complaints, complaints to be referred to IGRC, Handling of complaint by IGRC and Arbitration.

Investor Services

MSE in accordance to the SEBI directives has established Investor Services Centers (ISC) at Mumbai, Kolkata, Delhi, Chennai, Ahmedabad, Indore, Kanpur and Hyderabad, providing inter alia facilitating Arbitration Mechanism. Investors may approach these centers for assistance, support or redressal of their grievances against Members and Listed companies of the Exchange.

The Investor Services Centres are full-fledged and well equipped to redress the complaints/grievances of the Investors in an effective and expeditious manner. The complaints of investors received are taken up with the Trading Member or the listed company and the Exchange tries to work out a favorable resolution. However, if the same does not satisfy the aggrieved parties, the complaint is placed before Grievances Redressal Committee (IGRC) for resolution. The Company has formed separate GRCs, for each Regional Investor Service Centre to deal with the cases coming within their respective geographical jurisdiction.

When either the parties feels that the complaint has not been resolved satisfactorily through resolution process of the Exchange, the parties may choose the route of arbitration. Arbitration is a quasi-judicial process of settlement of disputes between Trading Member, Investor, Clearing member, sub-brokers etc. Arbitration aims at quicker legal resolution for the disputes.

Investors Protection Measures for the Trading Members of the company:

- Inspection of Members by Exchanges, Depositories and SEBI
- Dedicated page on Exchanges website for the Investors informing
 - o Rights and obligations before dealing with the Members
 - o Guidance note - Do's and Don'ts for trading i.e. Trading requirements, Transactions and Settlements,

Termination of Trading Membership, Disputes and Complaints.

- Timely Redressal of complaints against Member & Listed companies filed in Exchanges
- Trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.
- Investor Protection Fund and Investor Service Fund for the benefit of the clients. The company executes interim relief to the investors of Trading members in case matter is in their favour, as well as settlement of approved defaulter claim if any, from the Investor Protection Fund.

Investor Awareness Programme

The Exchange as per requirement of the SEBI directives has formulated the Metropolitan Stock Exchange Investor Protection Fund Trust (MSEIPFT). MSEIPFT conducts Investor Education and Awareness programmes (IAP) and is building traction through these Programs. These programs connect us with the retail and potential clients.

MSEIPF has conducted around 170 Investor Education and Awareness programs during the FY 2020-21, out of which 146 were conducted in collaboration with SEBI and the depositories, NSDL & CDSL, and 24 programs were exclusively conducted by MSE. The Investor Awareness programs received an overwhelming response from the audience.

Initiatives by MSEIPFT

As a continuous endeavor towards educating investors of the securities market and in order to assist them to make informed investments, the MSEIPF launched a campaign “Think Twice” on digital platform across all social media handles. Digital Platforms generate value by connecting with the targeted audience to create a network effect. The campaign helped create a huge impact in terms of reach and visibility.

World Investor Week 2020

As part of the exchange's participation in the World Investor Week 2020 (“**WIW 2020**”) event, held by WFE & IOSCO, during the month of November 2020, the following initiatives were undertaken:

a) Online quiz

MSEIPF conducted an online quiz to promote WIW 2020 on all its social media platforms. The competition achieved immense participation from the targeted audience and was popularly received on all social media platforms.

b) IAP Webinars

MSEIPF jointly conducted webinars with SEBI, Depositories as well as Market Experts. A total of 14 webinars were conducted across the country receiving huge participation from retail investors, students, and faculty members of universities.

c) Women Financial Literacy programs

The Exchange conducted women-only financial literacy programs, solely arranged for women investors who are keen to learn about the security markets. A total of 10 specially customized programs were organized across the country in tier 1 & 2 cities. The programs were well received by all participants and were effective in imparting necessary knowledge about investments and the securities market.

The Company also introduced a Blog section on the exchange website. These blogs were based on various topics pertaining to financial literacy. Further, these blogs were disseminated in print and online media which received a very positive response.

5. OTHER SEBI MEASURES AND UPDATES

SEBI during the beginning of the ongoing onslaught of covid-19 pandemic from March 2020, in order to afford relaxation to the businesses from the compliance under the various SEBI laws provided various extension in the timelines such as for filing the quarterly, annual financial results with the Exchange, extension in conducting annual

general meeting, in addition the brokers and trading members getting relaxations for maintaining call data records of clients etc. Additionally, SEBI also notified various circulars under its various regulations for streamlining and additional governance requirements.

Date	SUBJECT
13 April 2020	Relaxation in adherence to prescribed timelines issued by SEBI due to Covid 19
16 April 2020	Relaxation in time period for certain activities carried out by depository participants, RTAs / issuers, KRAs, stock brokers
16 April 2020	Relaxation in timelines for compliance with regulatory requirements by trading members / clearing members
17 April 2020	Additional relaxations / clarifications in relation to compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') due to the COVID –19 pandemic
21 April 2020	One-time relaxation with respect to validity of SEBI Observations
21 April 2020	Relaxation in timelines for compliance with regulatory requirements by trading members / clearing members
21 April 2020	Relaxations from certain provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in respect of Rights Issue
23 April 2020	Relaxation in Regulation 24(i)(f) of the SEBI (Buy-back of Securities) Regulations, 2018 due to the COVID 19 pandemic
23 April 2020	Relaxation in relation to Regulation 44(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') on holding of Annual General Meeting (AGM) by top 100 listed entities by market capitalization, due to the COVID –19 pandemic
24 April 2020	Clarification on Know Your Client (KYC) Process and Use of Technology for KYC
27 April 2020	Extension of implementation date of Circular on 'Review of Margin Framework for Cash and Derivatives segments (except for Commodity Derivatives Segment)
06 May 2020	Relaxations relating to procedural matters - Issues and Listing
12 May 2020	Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 –Covid-19 pandemic
12 May 2020	Entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market
14 May 2020	Relaxation from the applicability of SEBI Circular dated October 10, 2017 on non-compliance with the Minimum Public Shareholding (MPS) requirements
14 May 2020	Relaxations relating to procedural matters – Takeovers and Buy-back
15 May 2020	Relaxation in timelines for compliance with regulatory requirements
20 May 2020	Advisory on disclosure of material impact of COVID-19 on listed entities under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ('LODR Regulations'/'LODR')
20 May 2020	Listing of Mutual Fund schemes that are in the process of winding-up
25 May 2020	Implementation of Circular on 'Margin obligations to be given by way of Pledge / Re-pledge in the Depository System' - Extension
29 May 2020	Implementation of provision regarding Power of Attorney in circular dated February 25, 2020 - Extension
05 June 2020	Framework for Regulatory Sandbox
08 June 2020	Relaxation from compliance with certain provisions of the SEBI (Issue and Listing of Debt

Date	SUBJECT
	Securities) Regulations, 2008, SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 and other SEBI Circulars due to the COVID -19 virus pandemic
09 June 2020	Relaxations from certain provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in respect of Further Public Offer
19 June 2020	Relaxation in timelines for compliance with regulatory requirement
19 June 2020	Relaxation in timelines for compliance with regulatory requirements
22 June 2020	Conducting meeting of unit holders of InvITs and REITs through Video Conferencing (VC) or through other audio-visual means (OAVM)
23 June 2020	Operational framework for transactions in defaulted debt securities post maturity date/ redemption date under provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008
23 June 2020	Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19
24 June 2020	Further extension of time for submission of financial results for the quarter/half year/financial year ending 31st March 2020 due to the continuing impact of the CoVID-19 pandemic
24 June 2020	Guidelines for Order-to-trade ratio (OTR) for Algorithmic Trading
25 June 2020	Further extension of time for submission of Annual Secretarial Compliance Report by listed entities due to the continuing impact of the CoVID-19 pandemic
26 June 2020	Relaxation of time gap between two board / Audit Committee meetings of listed entities owing to the CoVID-19 pandemic
30 June 2020	Relaxation in timelines for compliance with regulatory requirement
30 June 2020	Relaxation in timelines for compliance with regulatory requirements
01 July 2020	Relaxation from compliance to REITs and InvITs due to the CoVID-19 virus pandemic– Amendment
01 July 2020	Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default
07 July 2020	Relaxation from compliance with certain provisions of the SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015 (ILDM Regulations) and certain SEBI Circulars due to the CoVID -19 virus pandemic
13 July 2020	Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures- Amendments
15 July 2020	Relaxation from compliance with provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (“ILDS Regulation”), SEBI (Non-Convertible Redeemable Preference Shares) Regulations, 2013 (“NCRPS Regulations”) and SEBI Circulars relating to Listing of Commercial Papers.
17 July 2020	Manner and mechanism of providing exit option to dissenting unit holders pursuant to Regulation 22(5C) and Regulation 22(7) of SEBI Infrastructure Investment Trusts Regulations, 2014 (“SEBI (InvIT) Regulations”)
17 July 2020	Manner and mechanism of providing exit option to dissenting unit holders pursuant to Regulation 22(6A) and Regulation 22(8) of SEBI Real Estate Investment Trusts Regulations, 2014 (“SEBI (REIT) Regulations”)
20 July 2020	Framework to Enable Verification of Upfront Collection of Margins from Clients in Cash and Derivatives segments
23 July 2020	Allowing Offer for Sale (OFS) and Rights Entitlements (RE) transactions during trading window closure period

Date	SUBJECT
23 July 2020	Reporting to Stock Exchanges regarding violations under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 relating to the Code of Conduct (CoC)
24 July 2020	Relaxations relating to procedural matters – Issues and Listing
27 July 2020	Relaxations relating to procedural matters – Takeovers and Buy-back
29 July 2020	Extension of time for submission of financial results for the quarter/half year/ financial year ended 30th June 2020
29 July 2020	Implementation of SEBI circular on ‘Margin obligations to be given by way of Pledge / Re-pledge in the Depository System’
29 July 2020	Relaxation in timelines for compliance with regulatory requirements
31 July 2020	Clarification on applicability of regulation 40(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to open offers, buybacks and delisting of securities of listed entities
31 July 2020	Collection and Reporting of Margins by Trading Member (TM) / Clearing Member (CM) in Cash Segment
31 July 2020	Use of digital signature certifications for authentication / certification of filings / submissions made to Stock Exchanges
04 August 2020	Grievance Resolution between listed entities and proxy advisers
06 August 2020	Administration and Supervision of Investment Advisers
13 August 2020	Investor grievances redressal mechanism – Handling of SCORES complaints by stock exchanges and Standard Operating Procedure for non-redressal of grievances by listed companies
27 August 2020	Execution of Power of Attorney (PoA) by the Client in favour of the Stock Broker / Stock Broker and Depository Participant
27 August 2020	Grievance Resolution between listed entities and proxy advisers – Extension of timeline for implementation
31 August 2020	Temporary relaxation in processing of documents pertaining to FPIs due to COVID-19
07 September 2020	Re-lodgement of Transfer Requests Shares
08 September 2020	Entities permitted to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market – Addition of NSE to the list
09 September 2020	Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures
15 September 2020	Collection and Reporting of Margins by Trading Member (TM) / Clearing Member (CM) in Cash Segment - Clarification
21 September 2020	Write-off of shares held by FPIs
23 September 2020	System-Driven Disclosures (SDD) under SEBI (SAST) Regulations, 2011
28 September 2020	Amendments to guidelines for preferential issue and institutional placement of units by a listed InvIT
28 September 2020	Amendments to guidelines for preferential issue and institutional placement of units by a listed REIT
28 September 2020	Recovery of assets of defaulter member and recovery of funds from debit balance clients of defaulter member for meeting the obligations of clients / Stock Exchange / Clearing Corporation
29 September 2020	Relaxation with respect to Validity of SEBI Observations and Revision in issue size

Date	SUBJECT
01 October 2020	Framework for monitoring of foreign holding in Depository Receipts
01 October 2020	Relaxation in timelines for compliance with regulatory requirements
01 October 2020	Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default - Extension of timeline for submission of the Undertaking cum Indemnity bond by the Trading members (TMs) / Clearing Members (CMs) for all the bank accounts
05 October 2020	Standardization of timeline for listing of securities issued on a private placement basis
06 October 2020	Issuance, listing and trading of Perpetual Non-Cumulative Preference Shares (PNCPS) and Innovative Perpetual Debt Instruments (IPDIs)/ Perpetual Debt Instruments (PDIs) (commonly referred to as Additional Tier 1 (AT 1) instruments)
08 October 2020	Extension of facility for conducting extraordinary meeting(s) of unit holders of InvITs and REITs through Video Conferencing or Other Audio-Visual Means (VC/OAVM)
22 October 2020	Clarification on SEBI Circular SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated 13 August, 2020 on Investor grievances redressal mechanism – Handling of SCORES complaints by stock exchanges and Standard Operating Procedure for non-redressal of grievances by listed companies.
22 October 2020	Contribution by Issuers of listed or proposed to be listed debt securities towards creation of Recovery Expense Fund
03 November 2020	Creation of Security in issuance of listed debt securities and ‘due diligence’ by debenture trustee(s)
03 November 2020	Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of Rule 19 of the Securities Contracts (Regulation) Rules, 1957
06 November 2020	Investor Grievance Redressal Mechanism
06 November 2020	Outsourcing of activities, Business Continuity Plan (BCP) and Disaster Recovery (DR) and Cyber Security and Cyber Resilience framework - Limited Purpose Clearing Corporation (LPCC)
12 November 2020	Monitoring and Disclosures by Debenture Trustee(s)
13 November 2020	Non-compliance with provisions related to continuous disclosures
17 November 2020	Amendments to guidelines for preferential issue and institutional placement of units by a listed InvIT
23 November 2020	Introduction of Unified Payments Interface (UPI) mechanism and Application through Online interface and Streamlining the process of Public issues of securities
24 November 2020	Testing of software used in or related to Trading and Risk Management
01 December 2020	Relaxation in timelines for compliance with regulatory requirements
02 December 2020	Operational guidelines for Transfer and Dematerialization of re-lodged physical shares
08 December 2020	Additional Payment Mechanism (i.e. ASBA, etc.) for Payment of Balance Money in Calls for partly paid specified securities issued by the listed entity
09 December 2020	e-Voting Facility Provided by Listed Entities
18 December 2020	Framework for issue of Depository Receipts-Clarifications
22 December 2020	Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957
31 December 2020	Creation of Security in issuance of listed debt securities and ‘due diligence’ by debenture trustee(s) - Extension of timeline for implementation
31 December 2020	Relaxation in timelines for compliance with regulatory requirements

Date	SUBJECT
06 January 2021	Refund of security deposit
08 January 2021	Transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation
15 January 2021	Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic
19 January 2021	Relaxations relating to procedural matters –Issues and Listing
02 February 2021	Revised Framework for Innovation Sandbox
09 February 2021	Revised disclosure formats under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015
26 February 2021	Extension of facility for conducting meeting(s) of unit holders of REITs and InvITs through Video Conferencing (VC) or through other audio-visual means (OAVM)
01 March 2021	Master Circular on Surveillance of Securities Market
03 March 2021	Code of Conduct & Institutional mechanism for prevention of Fraud or Market Abuse
10 March 2021	Rollout of Legal Entity Template
16 March 2021	Streamlining the process of IPOs with UPI in ASBA and redressal of investor grievances
22 March 2021	Guidelines for Business Continuity Plan (BCP) and Disaster Recovery (DR) of Market Infrastructure Institutions (MIIs)
25 March 2021	Combating Financing of Terrorism (CFT) under Unlawful Activities (Prevention) Act, 1967 – Directions to Stock Exchanges, Depositories and all registered intermediaries
25 March 2021	Prior Approval for Change in control: Transfer of shareholdings among immediate relatives and transmission of shareholdings and their effect on change in control
26 March 2021	Transfer of business by SEBI registered intermediaries to other legal entity
31 March 2021	Reduction in unblocking/refund of application money

6. OPPORTUNITIES AND THREATS

Opportunities for the Exchange

The financial sector is an ever-evolving space, with new opportunities and pitfalls. MSE as a market infrastructure institution is committed to providing a diverse product basket with Currency Futures, Currency Options, Interest Rate Futures, Equity and Equity Derivatives, along with efficient operational parameters and customer-oriented service offerings to enable an efficient and robust marketplace. Your Company explores all opportunities to ensure continuous growth. During the FY 2020-21, despite the prevailing pandemic, the government and the market regulator initiated some favourable policy measures which provide potential growth opportunities for your Company.

Threats to the exchange

(A) Decline in Industry activities

The Exchange performance relies heavily on volume and value of trades executed on its trading platform, the number of companies listed/new listing, the number of active Trading Members etc. Though the Exchange strives and has taken a number of steps in this regard, there are number of factors beyond the control of the Exchange that can have an impact on these attributes. Particularly, adverse macro-economic scenario and political uncertainty may negatively affect the markets and the Exchange business.

(B) Regulatory changes impacting our ability to compete

The competitive landscape of Exchange business in India continues to be challenging. MSE's ability to compete in this environment and ensure that regulations continue to have level playing field, will be a major factor in ensuring growth of the Exchange.

(C) Cyber Security Threats

Risks of cyber-attacks are forever a threat on account of the fast-evolving nature of the threat. There is also an increased risk due to various pandemic themed cyber threats. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities.

Further, the Exchange Industry is so interconnected that third parties and other entities may also take a hit resulting in collateral damage. The threat landscape is constantly evolving—leading to a more complex cyber ecosystem every day. This makes it all the more critical to be proactive when it comes to cyber security issues.

Constant enhancement in the Cyber Security Framework and Information Security Management System has been MSE's top priority. Also, a continuous improvement in cybersecurity policies and procedures is undertaken by MSE.

7. SEGMENT WISE PERFORMANCE

The Exchange currently provides three trading platforms for three different business segments and Debt segment is temporarily suspended w.e.f the close of business hours of 18th September, 2020. Accordingly, the Exchange has only one reportable segment within the meaning of "Indian Accounting Standard 108 – Operating Segments".

Currency Derivatives Segment

Particulars	2020-21	2019-20
Annual Volume (No. of contracts)	13,255,711	6,292,198
Annual Turnover (Rs. Crore)	98,394.70	45,324.52
Average Daily Volume (No. of contracts)	54,105	25,894
Average Daily Turnover (Rs. Crore)	401.61	186.52

Data includes Notional Value for Options

Excludes data of Interest Rate Futures

Data includes Cross currency contracts

Cross Currency was introduced w.e.f December 05, 2018

Capital Market Segment

The Company commenced trading in Capital Market from February 11, 2013 onwards. 7 securities were traded on MSE platform during the FY 2020-21. Total volume i.e. traded quantity on MSE platform during the FY 2020-21 in the Capital Market Segment was 4,67,766 shares and the total value traded being Rs. 11.17 crore.

Companies Listed on the Exchange:

During the year under review, the Exchange has been listing new companies on its equity platform. The count of listed companies increased from 295 in FY 2019-20 to 298 in FY 2020-21. This includes companies listed on other nationwide stock exchanges 524 as well as companies from regional stock exchanges.

As on March 31, 2021, out of the 298 listed companies, there are 235 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.

8. RISKS AND CONCERNS

(A) Business Risk

The performance of the Exchange depends heavily on volume of trades executed on our trading platform, number of new listings and consequent earnings through transaction charges and listing fees.

Adverse economic conditions could negatively affect our business and financial condition. Continuation or reoccurrence of global economic crisis, changes in political situations in India or globally, changes in economic policies could adversely affect our performance. Weak economic conditions of the country may adversely

affect listing and trading volumes on the Exchange as Indian companies would be less attractive for foreign and local investors.

MSE operates in a highly competitive industry wherein we compete with a wide range of established market participants for trading volumes and listing. Increased competition may exert a downward pressure on our fees and transaction charges for us to remain competitive which however could adversely affect our financial condition.

Further, MSE renews and applies for its SEBI License every year which if not renewed will impact the business and operations of the Exchange.

We operate in a business environment that experiences significant and rapid technological changes. However, 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.

A rapidly spreading infectious disease that causes a pandemic, or exacerbates a pandemic, thereby posing global threat, social and economic chaos can severely upset our business operations by disrupting operations, trading, settlement and high absenteeism and even fatality of our employees. Although the exchange is fully prepared for business continuity, meeting all obligations and ensuring safety of our staff, it is possible that our ability to deliver satisfactory services to our customers may be affected.

Other factors beyond our control, that may materially adversely affect our business, financial condition and result of operations include:

- o broad trends in business and finance, including industry specific circumstances, capital market trends and the mergers and acquisitions environment.
- o social and civil unrest, terrorism and war.
- o concerns over inflation and the level of institutional or retail confidence.
- o changes in government monetary policy and foreign currency exchange rates.
- o the availability of short-term and long-term funding and capital.
- o the availability of alternative investment opportunities.
- o changes and volatility in the prices of securities.
- o changes in tax policy (including transaction tax) and tax treaties between India and other countries.
- o the level and volatility of interest rates.
- o legislative and regulatory changes, including the potential for regulatory arbitrage among regulated and unregulated markets, if significant policy differences emerge among markets.
- o the perceived attractiveness, or lack of attractiveness, of Indian capital markets; and
- o unforeseen market closures or other disruptions in trading.

COVID-19 Risks on our business and operations

In March 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. A number of governments and organizations have revised GDP growth forecasts for calendar year 2021 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

Since mid-2021, termed as the second wave of COVID-19 in India, a number of Indian states, where the company has operations, have responded by taking measures such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing “work at home” orders and restricting the types of businesses that may continue to operate, among many others. There are warnings of a third wave of COVID-19 in the second half of calendar year 2021 and early months of calendar year 2022. In case the lockdown persists for longer than anticipated, it could result in subdued growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect our business, prospects, results of operations and financial conditions. The COVID-19

pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways and has resulted in a significant increase in volatility in the Indian equity markets which could cause investors to avoid assets such as equities.

- o It resulted in reduced work hours for many of our customers and clients, such as banks, which could result in lower volumes in the segments we operate.
- o Inherent productivity, technology, and oversight challenges due to an increase in number of individuals working from home.
- o Increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware and impersonation tactics.
- o Uncertainty as to what conditions must be satisfied before government authorities fully remove the “stay-at-home” orders and when such orders would be fully removed.
- o The potential negative impact on the health of our personnel, particularly if a significant number of them are afflicted by COVID-19, which could result in a deterioration in our ability to ensure business continuity during this disruption.
- o An increase in operational costs as a result of enabling work from- home technology systems viz., Virtual Private Network (VPN) and Laptops, procurement of COVID related consumables and equipment’s such as disinfectants, sanitizer, spray machines etc.

Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

(B) Regulatory and Compliance

We operate in a highly regulated industry and may be subject to fines and penalties or other restrictions, if we fail to comply with our legal and regulatory obligations. Also changes in regulatory policies may also affect participation at our exchange and may adversely affect our volumes.

Furthermore, we are facing an unprecedented event in the form of the COVID-19 pandemic. This has led to Central/ State Governments and Municipal bodies imposing lockdowns and other restrictions on public as well as businesses. However, these restrictions have not impacted the functioning of Stock Exchanges since the Government of India has exempted capital and debt market services as notified by SEBI from the said closure.

The management and staff of MSE have risen to the situation and ensured that all segments of the Exchange continued to operate seamlessly and efficiently. The lockdown restrictions have truly tested the robustness of the Business continuity capability of MSE to run its operations in a business as usual mode, with employees working from office and from home. Despite the challenges, the Exchange has not compromised on any of its Regulatory function either in terms of monitoring or surveillance or enforcement or in terms of its service levels.

Recognizing the challenges faced by brokers and corporates with respect to timely disclosures and compliance with various regulation due to the lockdown, the Exchange has worked with SEBI to mitigate the situation. SEBI has provided temporary relaxations in a number of compliance requirements to ease the difficulties being faced. The relaxations are primarily aimed at providing relief to the listed companies/ trading members by extending the deadlines for submissions, and from penalties.

9. IMPAIRMENT OF SOFTWARE

As per Ind AS 36 regarding Impairment of Assets, an asset is treated to be impaired when it is carried at a value more than its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. In such a case, the asset is described as impaired and Ind AS 36 ‘Impairment of Assets’ requires an entity to recognize an impairment loss.

Accordingly, the Company has carried out impairment testing of intangible assets during the year to ascertain the carrying value of predominantly Exchange software based on current and future expected activity and usage of the

software deployed for various segments and accordingly concluded for no further provision towards impairment for the year ended March 31, 2021.

10. 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 and external auditors for process and systems audit 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.

11. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Revenue

During the year, Total Revenue increased to Rs. 1,881 Lakhs in FY 2020-21 compared to Rs. 1,575 Lakhs in FY 2019-20. Operating Revenue increased to Rs. 585 Lakhs in FY 2020-21 compared to Rs. 525 Lakhs in FY 2019-20. Transaction fees income increased to Rs. 158 Lakhs in FY 2020-21 compared to Rs. 68 Lakhs in FY 2019-20. Listing processing fees increased to Rs. 51 Lakhs in FY 2020-21 compared to Rs. 22 Lakhs in FY 2019-20. The Listing Fees income increased to Rs. 174 Lakhs in FY 2020-21 compared to Rs. 172 Lakhs in FY 2019-20 and Other income increased to Rs. 1,296 Lakhs in FY 2020-21 compared to Rs. 1,050 Lakhs in FY 2019-20.

Expenditure

Total Expenses has decreased to Rs. 4,311 Lakhs in FY 2020-21 as Compared to Rs. 4,910 Lakhs in FY 2019-20.

The operating expenses decreased to Rs. 951 Lakhs in FY 2020-21 as compared to Rs. 1,072 Lakhs in FY 2019-20, Employee benefit expenses decreased to Rs. 1,677 in FY 2020-21 as compared to Rs. 1,699 in FY 2019-20, Advertising expenses has increased to Rs. 59 Lakhs in FY 2020-21 as compared to Rs. 51 Lakhs in FY 2019-20, The Finance cost has decreased to Rs. 54 Lakhs in FY 2020-21 as compared to Rs. 139 Lakhs for FY 2019-20. Administration and other expenses decreased to Rs. 745 Lakhs in FY 2020-21 as compared to Rs. 908 Lakhs in FY 2019-20. Depreciation and amortization expenses decreased to Rs. 825 Lakhs in FY 2020-21 as compared to 1,041 Lakhs in FY 2019-20.

Balance Sheet

As on March 31, 2021, the Paid-up Share Capital stood at Rs. 481,02,17,033 divided into 481,02,17033 equity shares of Re. 1/- each.

Investment in subsidiaries stood at Rs. 12,019 lakhs in FY 2020-21 as against Rs. 12,019 lakhs as on March 31, 2020.

Office premises

The Management has made efforts on cost rationalization. As a part of the same the Exchange has reduced its rental cost by 22% compared to previous year by reducing the space occupied earlier and shifting to the new office premises. Nearly 40% more saving shall reflect in the Financial year 2021-22.

12. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Our headcount as on March 31, 2021 stood at 145 as against 160 as on March 31, 2020. 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, 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.

13. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS

Sr No.	Particulars	Standalone		Change in %	Consolidated		Change in %
		2020-21	2019-20		2020-21	2019-20	
i)	Debtor Turnover (Times)	2.49	7.81	68%	6.64	8.82	25%
ii)	Inventory Turnover (Times)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
iii)	Interest Coverage Ratio (Times)	-	-0.02	100%	-	-0.03	100%
iv)	Current Ratio (Times)	6.11	2.83	-116%	6.31	3.59	-76%
v)	Debt Equity Ratio (Times)	0.17	0.16	-5%	0.64	0.56	-14%
vi)	Operating Profit Margin (%)	-416%	-899%	54%	-2.88	-4.26	32%
vii)	Net Profit Margin (%)	-414%	-921%	55%	-2.89	-4.48	36%
viii)	Return on Net Worth (%)	-8.49%	-15.64%	46%	-10.52%	-14.30%	26%

14. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR

Return on Net Worth is -8.49 % for FY 2020-21 as compared to -15.64 % in FY 2019-20. -46% change is on account of decrease in losses by Rs. 2,412 lakhs and reduction in Net worth is due to current year loss of Rs. 2,418 lakhs.

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.

ANNEXURE IX – Boards’ Report
CORPORATE GOVERNANCE REPORT

Metropolitan Stock Exchange of India Limited (MSE) is a public limited company, the securities of which are not listed on any stock exchanges of India. The Corporate Governance report for Financial Year (“FY”) 2020-21, which forms part of the Boards’ Report, is prepared pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

1. Company’s Philosophy on Code of Governance

The Company is in compliance with the requirements stipulated under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, (“SECC Regulations”) and Listing Regulations, as applicable, with regard to Corporate Governance and carries on business within the ambit of its Memorandum of Association and Articles of Association.

The Company’s philosophy on Corporate Governance is to follow fair, ethical and transparent governance practices 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. The Company’s philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large in the Exchange systems.

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 has adopted a Code of Conduct for its employees including the Managing Director & CEO. In addition, the Company has adopted a Code of Conduct for its non-executive directors which include Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 and the rules made thereunder and SEBI directions through its circulars. Your 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 SECC Regulations, 2018 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. In compliance with the SECC Regulations, 2018, the Board of the Company comprises of (5) Public Interest Directors.

Further, the number of Public Interest Directors shall not be lesser than the number of Shareholder Directors with the Managing Director being included in the category of Shareholder Director of the Company. Public Interest Director under the SECC Regulations has been defined as an Independent Director representing the interest of investors in securities market and who is not having any association directly or indirectly which in the opinion of Securities and Exchange Board of India (“SEBI”) is in conflict with the role. Pursuant to Regulation 20 of SECC Regulations, all the Directors of the Company ensured to be “fit and proper persons”. During the Financial year ended March 31, 2021 the composition of the Board of Directors was:

Name of the Directors	Category & DIN
Mr. Dinesh Kumar Mehrotra	Chairman & Public Interest Director 00142711
Mr. Ketan Vikamsey*	Public Interest Director 00282877

Name of the Directors	Category & DIN
Mr. Sudhir Bassi**	Shareholder Director 07819617
Mr. Ajai Kumar***	Public Interest Director 02446976
Ms. Trishna Guha****	Public Interest Director 08200779
Mr. S.V.D. Nageswara Rao****	Public Interest Director 02105323
Mr. Vijay Sardana	Public Interest Director 01977874
Ms. Latika S. Kundu	Managing Director & CEO 08561873

Note:

- * Mr. Ketan Vikamsey, PID resigned w.e.f. June 19, 2020
- ** Mr. Sudhir Bassi, Shareholder Director retired w.e.f. December 18, 2020
- *** Mr. Ajai Kumar had been appointed previously as a PID of Metropolitan Stock Exchange Of India Limited from April 05, 2017 upto August 06, 2018 (date of his resignation). Reappointed on October 23, 2020 as PID
- **** SEBI has vide its letter dated September 22, 2021 approved the extension of tenure of Ms. Trishna Guha and Mr. S.V.D. Nageswara Rao, PIDs from October 04, 2021 to October 03, 2024.

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

During the financial year ended March 31, 2021, eleven (11) meetings of the Board of Directors were held. The dates of the Board Meetings were: May 3, 2020, May 27, 2020, June 23, 2020, August 21, 2020, September 14, 2020, November 11, 2020, December 16, 2020, January 13, 2021, February 11, 2021, March 02, 2021 and March 31, 2021.

The attendance details and number of directorships and committee positions held by the Directors as on March 31, 2021 are given below:

Sr. No	Name of Director	Category	Attendance at Board Meetings during FY 2020-21		Whether attended last AGM held on 18.12.2020	No. of Directorship(s) held in other companies		Number of Committee positions held in other public companies		Names of listed entities and category of directorship
			Held during the tenure of the Director	Attended		Public Limited	Private Limited	Chairman	Member	
1	Mr. Dinesh Kumar Mehrotra	PID	11	11	Yes	5	2	2	3	*
2	Mr. Ketan Vikamsey**	PID	2	2	No	-	-	-	-	Nil
3	Mr. Sudhir Bassi***	SHD	7	6	Yes	-	-	-	-	Nil
4	Mr. Ajai Kumar****	PID	6	6	Yes	5	-	-	5	Nil

Sr. No	Name of Director	Category	Attendance at Board Meetings during FY 2020-21		Whether attended last AGM held on 18.12.2020	No. of Directorship(s) held in other companies		Number of Committee positions held in other public companies		Names of listed entities and category of directorship
			Held during the tenure of the Director	Attended		Public Limited	Private Limited	Chairman	Member	
5	Ms. Trishna Guha	PID	11	11	Yes	1	-	-	-	*****
6	Mr. S.V.D Nageswara Rao	PID	11	11	Yes	-	-	-	-	Nil
7	Mr. Vijay Sardana	PID	11	11	Yes	1	2	-	1	Nil
8	Ms. Latika S. Kundu	MD & CEO	11	11	Yes	-	-	-	-	Nil

* (1) VLS Finance Limited – Independent Director; (2) Computer Age Management Services Limited – Independent Director & Chairman; (3) SBI Cards and Payment Services Limited – Independent Director; (4) UTI Asset Management Company Limited – Non-Executive Chairman and Independent Director

** Mr. Ketan Vikamsey, PID resigned w.e.f. June 19, 2020

*** Mr. Sudhir Bassi, SHD retired w.e.f. December 18, 2020

**** Mr. Ajai Kumar had been appointed previously as a Director of Metropolitan Stock Exchange Of India Limited from April 05, 2017 upto August 06, 2018 (date of his resignation). Reappointed on October 23, 2020 as PID

***** (1) Shalimar Wires Industries Limited

NOTES:

- All directors are Non-Executive and Public Interest Directors except Mr. Sudhir Bassi, Shareholder Director who retired w.e.f. December 18, 2020 and Ms. Latika S. Kundu, MD & CEO.
- All Public Interest Directors are Independent Directors.
- The Directorships/ Committee memberships held by Directors as mentioned above, do not include foreign companies and companies under Section 8 of the Companies Act, 2013.
- Memberships/Chairmanships of only the Audit Committee/ Stakeholders' Relationship Committee/ Nomination and Remuneration Committee of all Public Companies have been considered above.
- None of the Directors are related to each other.
- None of the Director holds any shares in the Company.
- The weblink of directors' familiarisation programme imparted to independent directors is www.msei.in/SX-Content/common/MCX-SX-About-Us/policy/2015/May/FAMILIARIZATION-PROGRAM-FOR-PUBLIC-INTEREST-DIRECTOR.pdf
- Details of Directors

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

C. Confirmation of Independence

In terms of Regulation 25(8) of the Listing Regulations, Public Interest Directors (“**Independent Directors**”) have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Public Interest Directors, the Board of Directors has confirmed that they meet the criteria as mentioned under Section 149(6) of the Act and under Regulation 16(1)(b) and 25(8) of the Listing Regulations and they are independent of the management.

D. Code of Conduct and Code of Ethics

The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Senior Management of the Company which is available on the Company’s website at www.msei.in/about-us/code. The Board Members and the Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis. The necessary declaration by the MD & CEO as required under Regulation 34(3) read with Schedule V (D) of the Listing Regulations regarding adherence to the Code of Conduct has been obtained for FY 2020-21 and is attached as Annexure A to (this) Corporate Governance Report.

3. Audit Committee:

A. Composition, Meetings and Attendance:

During the year the Committee met six (6) times. The meetings were held on June 23, 2020, August 21, 2020, September 14, 2020, November 11, 2020, February 11, 2021 and March 31, 2021.

Besides, the members of the Audit Committee, MD&CEO, 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. Mr. Ketan Vikamsey was the Chairman of the Committee until his resignation on June 19, 2020. Subsequent to his resignation, Mr. S. V. D. Nageswara Rao acted as Chairman of the Committee for the meetings held on June 23, 2020, August 21, 2020, September 14, 2020 and November 11, 2020. Upon appointment of Mr. Ajai Kumar as a Director of the Company w.e.f October 23, 2020, Mr. Kumar has been presiding as the Chairman of the Audit Committee for the meetings held on February 11, 2021 and March 31, 2021.

The necessary quorum was present for all the meetings with the presence of at least two Public Interest Directors as required under Regulation 18(2)(b) of the Listing Regulations.

The details of the Composition and attendance of the members of the committee as on March 31, 2021 are listed below:

Members	Category	Meetings held during the Year	Meetings Attended during the Year
Mr. Ketan Vikamsey* Public interest Director	Public Interest Director	NA	NA
Mr. Ajai Kumar** Public interest Director and Chairman of the Committee	Public Interest Director	3	3
Mr. Dinesh Kumar Mehrotra Public Interest Director	Public Interest Director	6	6
Mr. Sudhir Bassi*** Shareholder Director	Shareholder Director	3	3
Ms.Trishna Guha Public Interest Director	Public Interest Director	6	6
Mr. S.V.D. Nageswara Rao Public interest Director	Public Interest Director	6	6
Mr. Vijay Sardana Public Interest Director	Public Interest Director	6	6

Note:

* Mr. Ketan Vikamsey, PID resigned w.e.f. June 19, 2020

** Mr. Ajai Kumar, PID had been appointed previously as a Director of Metropolitan Stock Exchange Of India Limited from April 05, 2017 upto August 06, 2018 (date of his resignation). Reappointed on October 23, 2020 as PID

*** Mr. Sudhir Bassi, SHD retired w.e.f. December 18, 2020

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, 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 scrutinize 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. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
23. 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 Committee:

A. Composition, meetings and attendance:

The Committee met three (3) times during the year. The meetings were held on August 20, 2020, January 11, 2021 and February 11, 2021.

The Committee meetings are also attended by such company officials, as may be considered appropriate. The minutes of the meetings of the Committee are placed before the Board for noting. The Company Secretary acts as the Secretary to the Committee.

The details of Composition and participation of the members at the meetings of the Committee as on March 31, 2021 were as under:

Members	Category	Meetings held during the Year	Meetings Attended during the Year
Ms. Trishna Guha Public interest Director	Public Interest Director	1	1
Mr. Dinesh Kumar Mehrotra Public interest Director	Public Interest Director	3	3
Mr. S.V.D. Nageswara Rao Public interest Director and Chairman of the Committee	Public Interest Director	3	3
Mr. Ajai Kumar* Public Interest Director	Public Interest Director	2	2
Mr. Ketan Vikamsey** Public Interest Director	Public Interest Director	0	0

Note:

*: Mr. Ajai Kumar had been appointed previously as a Director of Metropolitan Stock Exchange Of India Limited from April 05, 2017 upto August 06, 2018 (date of his resignation). Reappointed on October 23, 2020 as PID

** Mr. Ketan Vikamsey, PID resigned w.e.f. June 19, 2020

B. Terms of Reference (TOR):

The Terms of Reference of the Nomination and Remuneration Committee (NRC) of the Company pursuant to Section 178 of the Companies Act, 2013 read with Regulation 29 of the SECC Regulations and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is given below:

- 1) Identifying a Key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018.
- 2) Laying down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI.
- 3) Determining the compensation of KMPs in terms of the compensation policy.
- 4) Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department.
- 5) Selecting the Managing Director.
- 6) Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID).
- 7) Recommending whether to extend the term of appointment of the PID.
- 8) Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (LODR) regulations, 2015 as amended from time to time.

C. Nomination and Remuneration Policy

The Company has formulated the Nomination and Remuneration policy which has been revised in accordance with the SECC Regulations and the Companies Act, 2013, approved by the Board for remunerating the Executive Directors, Non-Executive Directors, Key Managerial Personnel and the Employees. The updated policy has been placed at MSE's website i.e. www.msei.in/about-us/policy.

D. Performance Evaluation Criteria for Independent directors

With the objective of enhancing the effectiveness of the Board, the NRC formulated the methodology and criteria to evaluate the performance of the Board and each director. The NRC 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. Additionally, the Directors have also evaluated the performance of Ms. Trishna Guha and Mr. S. V. D. Nageswara Rao, PIDs, whose tenure completed on October 03, 2021 and were re-appointed as Public Interest Director for a further term of three years, subject to the approval of the shareholders in this general meeting.

The criteria for evaluation is as follows:

i. Internal Evaluation of Individual Directors

The individual Director's performance has largely been evaluated based on his/ her level of participation and contribution to the performance of Board/ Committee(s). Furthermore, the skills, knowledge, experience, attendance record, devotion of sufficient time and efficient discharge of responsibilities towards the Company, Board and Committees of which he/ she is a member are considered for evaluation. Additionally, timely disclosure of personal interest, compliance of Code of Conduct and Ethics, Code for Independent Directors etc., are also taken into account.

ii. External Evaluation of Public Interest Directors

As per the amended SECC Regulations, Public Interest Directors can be nominated by SEBI on the Board of

a recognized stock exchange for an initial term of three years, extendable by another term of three years subject to performance review prescribed by SEBI. SEBI vide its circular dated February 5, 2019, has mandated the Public Interest Directors of a stock exchange to be subjected to an external evaluation during the last year of their term by a management or a human resources consulting firm.

iii. Chairman's Performance Evaluation

Providing effective leadership, setting effective strategic agenda of the Board, encouraging active engagement by the Board members, establishing effective communication with all stakeholders, etc.

iv. Performance evaluation of the Board as a whole

The performance of the Board of Directors is evaluated on the basis of various criteria which inter-alia, includes providing entrepreneurial leadership to the Company, understanding of the business, strategy and growth, responsibility towards stakeholders, risk management and financial controls, quality of decision making, monitoring performance of management, maintaining high standards of integrity and probity, etc.

v. Evaluation of the Board Committees

The performances of the Committees are evaluated on the basis of following parameters:

- a. Mandate and composition
- b. Effectiveness of the Committees
- c. Structure of the Committees and their meetings
- d. Independence of the Committees from the Board
- e. Contribution to the decisions of the Board

vi. Disclosures as prescribed under SEBI Circular dated May 10, 2018 are given below:

- (i) Gist of observations on board evaluation carried out for the year:
 1. Management to implement a credible strategy to revive the Exchange.
 2. Continue to comply with good corporate governance practices.
 3. Management should ensure sustainability of the Exchange at all times.
- (ii) Observations of Board evaluation carried out for previous year:
 1. Revival of business in present situation to be given priority.
 2. Focus on developing innovative strategies for business.
 3. Look at various options in order to capitalise investment made in Subsidiary Company – MCCIL.
 4. Improve Management's Risk Practice and formulate appropriate policies.
- (iii) Proposed action based on current year observation:

Exchange is working on best effort basis on above advice of the Board.

The detailed policy is available on the website www.msei.in/about-us/policy.

5. Remuneration of Directors

a) All pecuniary relationship or transactions of the non-executive 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.

b) Sitting fees paid to Non-Executive Directors/Public Interest Directors during the year are as follows:

NAME OF THE DIRECTOR	SITTING FEES (IN RS.)
Mr. Dinesh K Mehrotra	12,40,000
Mr. Ketan Shivji Vikamsey *	2,20,000
Mr. Sudhir Kumar Bassi **	4,80,000
Mr. Ajai Kumar ***	7,20,000
Mr. S V D Nageswara Rao ****	15,40,000
Ms. Trishna Guha ****	13,00,000
Mr. Vijay Sardana	10,60,000

Note:

* Mr. Ketan Vikamsey resigned as PID on June 19, 2020.

** Mr.Sudhir Bassi, SHD retired w.e.f. December 18, 2020.

*** Mr. Ajai Kumar had been appointed previously as a Public Interest Director (PID) of Metropolitan Stock Exchange Of India Limited from April 05, 2017 upto August 06, 2018 (date of his resignation). Reappointed on October 23, 2020 as PID

**** SEBI has vide its letter dated September 22, 2021 approved the extension of tenure of Ms. Trishna Guha and Mr. S.V.D. Nageswara Rao, PIDs from October 04, 2021 to October 03, 2024

c) The details of remuneration paid to Executive Director & Managing Director & CEO for the financial year ended March 31, 2021 are provided hereunder:

Particulars	Ms. Latika S Kundu Managing Director & CEO
Salary and allowances	Rs. 49,99,992*
Period of Service Contracts	For a period of three years Commencing on and from March 12, 2020 to March 11, 2023
Notice Period	Three Months

* Total Remuneration stated above is excluding 50% variable pay shall Rs. 12,50,000 for FY 2020-21 which was paid on July 31, 2021 and balance 50% of Variable Pay shall be paid on deferred basis after three (3) years as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

- As per SECC Regulations, Managing Director being a Key Management Personnel of the Exchange is not entitled to any stock options.
- Appointment of MD & CEO is governed by a service contract.

6. Stakeholder Relationship Committee:

The Company has complied with the requirements of Section 178(5) of the Act, Regulation 20 of the Listing Regulations, as applicable to the constitution of the Stakeholders' Relationship/ Share Allotment Committee.

A. Composition and Terms of Reference

The Committee met Twice during the year. The Chairman of the Committee is Mr. S.V.D. Nageswara Rao. The meeting was held on June 23, 2020 and December 30, 2020. The details of Composition and participation of the members at the meetings of the Committee as on March 31, 2021 were as under:

Members	Category	Meetings held during the Year	Meetings attended during the Year
Mr. S.V.D. Nageswara Rao (Chairman of the Committee)	Public Interest Director	2	2
Mr. Dinesh Kumar Mehrotra	Public Interest Director	2	2
Mr. Sudhir Bassi*	Shareholder Director	1	1
Ms. Latika S. Kundu	MD & CEO	2	2

* Mr.Sudhir Bassi, SHD retired w.e.f. December 18, 2020

B. Terms of Reference:

The Terms of Reference of the Stakeholders Relationship Committee pursuant to Regulation 33 of SECC Regulation read with Regulation 20 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is given below:

1. Resolving the grievances of the security holders of Exchange including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Noting status of dematerialization, rematerialization, share transfer, transposition of names, transmission requests, etc.;
3. Review of measures taken for effective exercise of voting rights by shareholders.
4. Review of adherence to the service standards adopted by the Exchange in respect of various services being rendered by the Registrar & Share Transfer Agent.
5. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
6. Any other specific stakeholder matters as may be specified by the Board from time to time;

C. Name and Designation of Compliance Officer

Mr. P. K. Ramesh - Chief Regulatory Officer & Compliance Officer.

D. Name and Designation of Company Secretary

Ms. Manisha Thakur, Head – Legal & Company Secretary w.e.f May 13, 2020

E. 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	1	1	0

The Exchange has received 'anonymous' complaints during the Financial Year 2020-21, claiming to be complaints from shareholders. These complaints were forwarded to the Exchange by SEBI, which were responded from time to time. As required pursuant to the SEBI directions in the month of June 2021. The Exchange has initiated forensic audit as per scope specified by SEBI, which was based on complaints received by SEBI. The Exchange has submitted the necessary information sought for the audit.

7. Risk Management Committee:

The Company has complied with the requirements of Regulation 21 of the Listing Regulations, Regulation 29 of SECC Regulations and the Act, applicable in relation to composition of the Risk Management Committee.

A. Composition, Meetings and Attendance:

During the year the Committee met two (2) times. The meetings were held through email, as per the exemption provided by SEBI, in the month of June 2020 and September 2020.

Members	Category	Meetings held during the Year	Meetings Attended during the Year
Mr. Vijay Sardana Public interest Director and Chairman of the Committee	Public interest Director	2	2
Mr. Ketan Vikamsey* Public interest Director	Public interest Director	1	1
Mr. Dinesh Kumar Mehrotra Public Interest Director	Public interest Director	1	1
Mr. S.V.D. Nageswara Rao Public interest Director	Public interest Director	1	1
Mr. Ajai Kumar** Public Interest Director	Public interest Director	1	1
Ms. Trishna Guha Public Interest Director	Public interest Director	2	2
Mr. Suresh Viswanathan	External Expert	2	2

* Mr. Ketan Vikamsey resigned as PID on June 19, 2020.

**Mr. Ajai Kumar had been appointed previously as a Director of Metropolitan Stock Exchange Of India Limited from April 05, 2017 upto August 06, 2018 (date of his resignation). Re-appointed on October 23, 2020 as PID

B. Terms of Reference

- To formulate a detailed risk management policy which shall be approved by the governing board
- To review the Risk Management Framework & risk mitigation measures from time to time.
- To monitor and review enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimization procedures.
- The head of the risk management department shall report to the risk management committee and to the managing director of the exchange.
- The risk management committee shall monitor implementation of the risk management policy and keep the Board and the governing board informed about its implementation and deviation, if any.

8. Public Interest Director Committee:

The Company has complied with Regulation 26 read with part A of Schedule II of SECC Regulations. As per the aforesaid Regulations, Public Interest Directors meet separately, at least once in six months to exchange views on critical issues. The Company Secretary facilitates conduct of Public Interest Directors Meetings.

C. Composition, Meetings and Attendance:

During the year the Committee met two (2) times. The meetings were held through email, as per the exemption provided by SEBI, in the month of June 2020 and December 2020. The Company Secretary acts as the Secretary to the Committee. The details of the Composition and attendance of the members of the Committee as on March 31, 2021 are listed below:

Members	Category	Meetings held during the Year	Meetings Attended during the Year
Mr. Ketan Vikamsey* Public interest Director	Public interest Director	1	1
Mr. Dinesh Kumar Mehrotra Public Interest Director	Public interest Director	2	2
Ms. Trishna Guha Public Interest Director	Public interest Director	2	2

Members	Category	Meetings held during the Year	Meetings Attended during the Year
Mr. S.V.D. Nageswara Rao Public interest Director	Public interest Director	2	2
Mr. Vijay Sardana Public interest Director	Public interest Director	2	2
Mr. Ajai Kumar** Public interest Director	Public interest Director	1	1

Note:

* Mr. Ketan Vikamsey resigned as PID on June 19, 2020.

** Mr. Ajai Kumar had been appointed previously as a Director of Metropolitan Stock Exchange Of India Limited from April 05, 2017 upto August 06, 2018 (date of his resignation). Re-appointed on October 23, 2020 as PID

D. Terms of Reference (TOR):

The Terms of Reference of the PID Committee pursuant to Regulation 26 read with Part A of Schedule II of SECC Regulation is given below:

1. Status of compliance with SEBI letters/ Circulars
2. Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions.
3. The PIDs shall prepare a report on the working of the other committees where they are also the members. The report shall be circulated to the other public interest directors
4. A consolidated report shall then be submitted to the Governing Board of the stock exchange.
5. The PIDs shall identify important issues which may involve conflict of interest for the stock exchange or may have significant impact on the market and report the same to SEBI.
- E. It is confirmed that in the opinion of the Board, the Independent directors fulfil the conditions specified in these regulations and are independent of the management.

8. General Body Meetings:

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

Financial year	Date & Time	Venue of the meeting	Special resolution(s) passed
2019-20	December 18, 2020 at 02:00 pm	Registered office of the Company at 4th Floor, Vibgyor Tower, Opp. Hotel Trident, Bandra Kurla Complex, Bandra East, Mumbai 400098, through video conference	(1) Re-Appointment of Mr. Dinesh Kumar Mehrotra (DIN: 00142711) as an (Independent Director) Public Interest Director & Chairman of the Company. (2) Appointment of Mr. Ajai Kumar (DIN: 02446976) as an (Independent Director) Public Interest Director
2018-19	September 23, 2019 at 11:00 am	MIG Cricket Club, 2nd floor, Galaxy Hall, Ramakrishna Paramahans Marg, MIG Colony, Bandra East, Mumbai, Maharashtra 400051	NA
2017-18	September 26, 2018 at 11:30 a.m.	Banquet Hall, Ground Floor, MCA Recreation Centre, RG-2, G-Block, Bandra-Kurla Complex, Bandra (East), Mumbai-400051	NA

B. Postal Ballot

The Company has not passed any resolution by way of postal ballot during the financial year ended March 31, 2021 and no resolution was proposed to be conducted through postal ballot.

ix. No Extraordinary general meeting of the members was held during FY 2020 -21.

9. 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.

10. General Shareholder Information:

Day, Date, Time of Annual General Meeting (2020-2021)	December 20, 2021 at 2.30 p.m. Venue:- The Company is conducting meeting through Video Conferencing/Other Audio Visual Means pursuant to the MCA Circular dated January 13, 2021 read with May 05, 2020. For details, please refer Notice of this AGM. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located At Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400 070., which shall be the deemed venue of AGM
Financial year	April 01, 2020 to March 31, 2021
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	KFin Technologies 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 4,810,217,033 equity shares of the Company as on March 31, 2021 are under dematerialized (electronic) form. The equity shares of the Company have been admitted for dematerialization 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, 2021, the Company had no outstanding Warrants.

Exchange operations are located at and Address for Correspondence	Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400 070 Tel: 61129000 Email id: secretarial@msei.in Website: www.msei.in (Registered address prior to April 01, 2021: 5th Floor, Vibgyor Towers, C-62, G Block, Bandra Kurla Complex Bandra (East), Mumbai – 400 051)
Legal Identified Number (LEI)	3358002YCEYDX7UK4352

11. Distribution of Shareholding as on March 31, 2021:

Sr. No	Category	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	up to 1 - 5000	13,427	28.18	422,92,775	0.88
2	5001 - 10000	9,364	19.65	843,43,574	1.75
3	10001 - 20000	6,611	13.87	10,76,75,674	2.24
4	20001 - 30000	4,284	8.99	11,16,33,029	2.32
5	30001 - 40000	1,733	3.64	637,38,948	1.33
6	40001 - 50000	2,998	6.29	14,68,89,353	3.05
7	50001 - 100000	4,815	10.11	40,92,16,217	8.51
8	100001 & ABOVE	4,415	9.27	384,44,27,463	79.92
	Total	47,647	100	481,02,17,033	100.00

12. Category – wise Shareholding Pattern as on March 31, 2021:

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	14	71,87,83,832	14.94
(b)	Bodies Corporate	217	88,94,82,884	18.49
(c)	Individuals	45,838	2,59,21,74,216	53.89
(d)	HUF	1,325	21,68,48,231	4.51
(e)	Trusts	1	56,72,734	0.12
(f)	Non-Resident Indian	252	38,72,55,136	8.05
	Total B	47647	481,02,17,033	100.00
	Total (A+B)	47647	481,02,17,033	100.00

13 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 2020-21, is annexed at the end of this report as **ANNEXURE-A**.

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. A certificate in this regard is attached as **ANNEXURE-B**.

c. Disclosures on materially significant related party transactions

The materially significant related party transactions entered into by the Company are at arm's length basis and in the ordinary course of business. All the transactions with related parties are under the pre-existing arrangements. Nonetheless, transactions with related parties as required to be reported under "Indian Accounting Standard 24 – Related Party Disclosures" 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 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 2020-21, there were no Penalties or strictures imposed on the Exchange by SEBI or any statutory authority, on any matter related to the capital markets. SEBI had renewed the recognition of the Exchange for a further period of one year commencing from September 16, 2021 to September 15, 2022 subject to certain condition which have to be complied in a time bound manner.

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 can 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 www.msei.in/about-us/code. None of the whistle blowers were denied access to the Audit Committee during FY 2020-21 to the knowledge of the Compliance Officer. The same is reviewed by the Audit Committee on a quarterly basis.

In the year 2020-21, no complaints were received from employees to the Compliance officer as per Whistle Blower Policy of the Exchange.

The forensic audit of the Company, with respect to the whistle blower complaints received in the year 2018, has been completed and the final report for the same is submitted to the Securities Exchange and Board of India in 2018.

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

As per Regulation 11 (1) of SECC Regulations, 2018, Stock Exchange shall pay the regulatory fees in terms of Securities and Exchange Board of India (Regulatory Fee on Stock Exchange) Regulations, 2006. The Company has complied with the applicable mandatory requirements of payment of Regulatory Fees in terms of Regulations, 2006.

As per Regulation 12 (2) of SECC Regulations, 2018, a recognized Stock Exchange desirous of renewal of recognition shall make an application to the Board in Form A of Schedule-I of these regulations and such application shall reach the Board at-least three months prior to the date of expiry of the recognition. The Company has complied with the mandatory requirement of renewal of recognition in Form A of Schedule-I of these regulations and your Company has received renewal of license for a period of one year.

As per Regulation 14 (1) of SECC Regulations, 2018, Stock Exchange shall have a minimum net-worth of one hundred crore rupees at all time. The Company has complied with the applicable mandatory requirement of maintaining net-worth of one hundred crore rupees at all time.

As per Regulation 33 of SECC Regulations, 2018, 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, 2021, the Company holds 95.85% of the paid-up capital of Metropolitan Clearing Corporation of India Limited (MCCIL) and 100% of MSE Fintech Limited (formerly known as MCX-SX KYC Registration Agency Limited) (MSE Fintech).

The minutes of the Board meetings of the subsidiaries are placed before the Board meetings 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 www.msei.in/about-us/policy.

h. Dematerialization of shares and liquidity

100% of the Company's shares are in dematerialized form as listed below as at March 31, 2021:

Category	No. of Shareholders	No. of shares	Percentage (%)
NSDL	20,077	278,70,79,359	57.94
CDSL	27,570	202,31,37,674	43.06
Total	47,647	481,02,17,033	100.00

i. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2021, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

j. Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For details on foreign exchange please refer to Management Discussion and Analysis Report.

- k. A certificate has been received from DSM & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority as annexed as **ANNEXURE-C**.

- l. In terms of Regulation 17(8) of the Listing Regulations, MD&CEO and Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year at the review, which has been reviewed by the Audit Committee and taken on record by the Board as annexed in **ANNEXURE-D**.

m. Details of fees paid to Statutory Auditor

Statutory Auditor: M/s. T.R. CHADHA & CO. LLP

Sr. No	Payment to Auditor	(Rs.)
1	Statutory Audit	8,00,000
2	Limited Review Audit	4,50,000
3	Tax Audit	2,25,000
4	Fees for other matters	3,27,480
	Total	18,02,480

n. Details of Sexual Harassment complaints received and redressed

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

- o. Plant Location:** Not Applicable
- p. Credit Ratings:** Not Applicable
- q. Disclosures with respect to demat Suspense account/ unclaimed suspense account:** There are no shares held in demat suspense account/ unclaimed suspense account.
- r. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of Listing Regulations:** No such issues were taken place during the year hence, not applicable.
- s.** The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board.

Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management team to make decisions in uncertain environments
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability and driving corporate ethics and values.
Specific Skill Set	Capital/ Market understanding, Technology and Cyber Security, Legal and Compliance, Stakeholder Relationship, Strategy and Planning, Financial and Treasury Management, Audit, Corporate Governance, Taxation.

For and on behalf of the Board of Directors

Latika S. Kundu
 Managing Director & CEO
 DIN: 08561873

Dinesh Kumar Mehrotra
 Chairman
 DIN: 00142711

Date: November 12, 2021
 Place: Mumbai

ANNEXURE A – Corporate Governance Report

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 2020-21 as adopted by the Board of directors and applicable Regulations.

Latika S. Kundu
Managing Director & CEO
DIN: 08561873

Dated: November 12, 2021
Place: Mumbai

ANNEXURE B – Corporate Governance Report**PRACTICING COMPANY SECRETARIES' CERTIFICATE ON 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 33 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 “the **Company**”), for the year ended 31st March, 2021 as stipulated and applicable to the Exchange under 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 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
UCN: P2015MH038100**

**Sd/-
CS Sanam Umbargikar
Partner
M. No.: 26141
COP No.9394
UDIN: A026141C001242323**

**Dated: 21st October, 2021
Place: Mumbai**

ANNEXURE C – Corporate Governance
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the SEBI
 (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To The Members of
Metropolitan Stock Exchange of India Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Metropolitan Stock Exchange of India Limited, having CIN U65999MH2008PLC185856 and having registered office at 205(A), 2nd Floor, Piramal Agastya Corporate Park Kamani Junction, LBS Road, Kurla (West), Mumbai – 400 070, Maharashtra, India, (hereinafter referred to as “the Company”) produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2021 or a part thereof of their appointment, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Mr. Dinesh Kumar Mehrotra	00142711	January 5, 2017
2.	Mr. Ajai Kumar *	02446976	October 23, 2020
3.	Ms. Trishna Guha**	08200779	October 4, 2018
4.	Mr. S.V.D. Nageswara Rao**	02105323	October 4, 2018
5.	Mr. Vijay Sardana	01977874	April 27, 2019
6.	Ms. Latika S. Kundu	08561873	March 12, 2020

*Mr. Ajai Kumar, PID had been appointed previously as a Director of Metropolitan Stock Exchange of India Limited from April 05, 2017 upto August 06, 2018 (date of his resignation).

**Ms. Trishna Guha and Mr. S. V. D. Nageswara Rao, PIDs have been re-appointed vide SEBI letter dated September 22, 2021 for further three consecutive years beginning from October 04, 2021 to October 03, 2024.

Note:

(1) Mr. Ketan Vikamsey, PID resigned w.e.f. June 19, 2020

(2) Mr. Sudhir Bassi, Shareholder Director retired w.e.f. December 18, 2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DSM & Associates,

Company Secretaries

UCN: P2015MH038100

Sd/-

CS Sanam Umbargikar

Partner

M.No.26141

COP No.9394.

UDIN: A026141C001242279

Date: 21st October, 2021.

Place: Mumbai.

ANNEXURE D – Corporate Governance**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

(In accordance with the provisions of Regulation 33 of SECC Regulations 2018 read with Regulation 17(8) of the SEBI (LODR) Regulations, 2015)

The Board of Directors**Metropolitan Stock Exchange of India Limited, Mumbai**

Dear Members of the Board,

We, Latika S. Kundu, MD & CEO and Saket Bhansali, Chief Financial Officer of Metropolitan Stock Exchange of India Limited, to best of our knowledge and belief, certify that:

1. We have reviewed the Financial Statement and the Cash flow Statement of the Company for the financial year ended March 31, 2021;
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards and / or applicable laws and regulations, except as disclosed in the notes to the financial statement.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 which are fraudulent, illegal or in violation of the Company's Code of Conduct, except as disclosed to the Company's Board of Directors;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting for the Company, and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken, to rectify the deficiencies. In our opinion there are adequate internal controls over financial reporting.
4. We have indicated to the auditors and the Audit Committee:
 - i. significant changes in internal control financial reporting during the year;
 - ii. There are no significant changes in accounting policies made during the year, except as disclosed in the notes to the financial statements and;
 - iii. 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.
5. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Yours Sincerely,

Saket Bhansali
Chief Financial Officer
Dated: June 22, 2021
Place: Mumbai

Latika S. Kundu
Managing Director & CEO
DIN: 08561873

INDEPENDENT AUDITOR'S REPORT

To the Members of Metropolitan Stock Exchange of India Limited

Report on the Audit of the Standalone Financial Statements

1. Qualified Opinion

We have audited the accompanying standalone financial statements of **Metropolitan Stock Exchange of India Limited** ('Company'), which comprise the Standalone Balance Sheet as at March 31, 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Change in Equity and the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

We draw attention to note 36 of the standalone financial statements with respect to preparation of Standalone Financial Statements on going concern basis even though Company has continued to incur significant losses during the current and preceding periods. As advised, the Company is adequately capitalized, has gone live on interoperability, operations are functioning and gross revenue are expected to increase in future years and accordingly the company continues to prepare its Standalone Financial Statements on going concern basis. However, the business volumes are not sufficient and there is no clarity on increasing revenue & making profits in future and the Company could not achieve its projected revenues so far. The management has also considered the GST Credit available amounting to Rs. 4,328 Lakh and MAT Credit Entitlement amounting to Rs.186 Lakh as recoverable treating the company as going concern. Considering the uncertainty, we are unable to comment on the preparation of standalone financial statements on going concern basis and not making provisions / impairment for GST Receivable of Rs.4,328 lakh and MAT Credit entitlement of Rs.186 lakh and the adjustments, if any, that will be arising out of the same.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

3. Emphasis of Matter

- a. We further draw attention to Note 52 to the Standalone Financial Statements which describes the extent to which the Covid-19 pandemic will impact the Company's standalone financial statement will depend on the upcoming developments, which are highly uncertain.
- b. We further draw attention to Note 34(i)(d) of the Standalone Financial Statements, in respect of the invoices raised by the Subsidiary Company (Metropolitan Clearing Corporation of India Limited), for Rs. 644.44 Lakh towards Clearing and Settlement Charges based on an erstwhile agreement (prior to interoperability). The applicability of the said agreement, which has been terminated by the Company during September 2020, has been disputed by the Company due to Interoperability Agreement entered with Subsidiary during June 2019 and accordingly the said invoice has not been provided for in books of accounts and considered the same as 'Contingent Liability - Claim against the Company not acknowledged as debt'.

Our opinion is not modified in respect of these matters.

4. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

a. Identification of Onerous Contract

As per Ind AS 37 “Provision, contingent liabilities and contingent assets”, an onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The company has an unavoidable long-term contract with one of the service providers which constitutes approx. 57% of the Technology Cost (refer note 29) for the year ended March 31, 2021.

Auditor’s Response: Our procedure in relation to identification of onerous contract included, review of material contract with service providers, assessing the related cost and economic benefits expected to be received/are received and critically assessing the management’s estimates with regard to plan for utilization of such costs. Based on above audit procedures the said contract has not been treated as onerous contract as on March 31, 2021.

b. Carrying value of Intangible Assets

Company has carried out impairment testing, during 2020-21, of intangible assets to ascertain its carrying value majorly consisting of computer software based on current and future expected activity and usage from software deployed for various trading segments and accordingly concluded for no further provision towards same for the year ended March 31, 2021.

Auditor’s Response: We have examined the balance useful life, amortization charges and the impairment testing so performed by the management including assumption made while accessing the expected discounted inflow from various services rendered by the exchange. Based on above, we assessed the impairment testing carried out by the Management.

5. Information Other than the Standalone Financial Statements and Auditor’s Report thereon

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in Company’s Annual report but does not include the standalone financial statements and our auditor’s report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

6. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company’s Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the Ind AS 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.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

7. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Report on Other Legal and Regulatory Requirements

- a. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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.

- b. As required by Section 143(3) of the Act, based on our audit, we report that:
- i. 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.
 - ii. 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.
 - iii. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - iv. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (India Accounting Standards) Rules, 2015, as amended.
 - v. 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.
 - vi. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - vii. The qualification relating to the maintenance of accounts and other matters connected herewith are as stated in the Basis for Qualified Opinion paragraph above.
 - viii. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - ix. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act.
 - x. 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, 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 statements. (Refer note 34)
 - ii. 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. (Refer note 34)
 - 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's Registration No. 006711N/N500028

Pramod Tilwani

Partner

Membership No. 076650

UDIN: 21076650AAAACW7462

Place of Signature: Mumbai

Date: June 22, 2021.

Annexure A to the Auditor's Report

The annexure referred to in Independent Auditors' Report to the member of Metropolitan Stock Exchange of India Limited ('Company') on the standalone financial statements for the year ended March 31, 2021, we report that;

(i) Fixed Assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) The Company has a regular program of physical verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. On Account of lock down caused by Covid 19 pandemic, the Company could not carry the scheduled phase of the physical verification of assets. However, alternate audit procedures were applied for verifying physical presence of the fixed assets.
 - c) According to the information and explanations given to us, there is no Immovable Property in the books of accounts of the Company. Accordingly, reporting under paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The nature of business of the company does not require to have any physical inventory. Accordingly, reporting under paragraph 3(ii) of the Order is not applicable to the company.
 - (iii) According to the information and explanations given to us, the Company, during the year, 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 ("the Act") and there are no opening balances outstanding with any of them. Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.
 - (iv) According to the information and explanations given to us, the Company has not given loans or guarantees to directors or other persons in which a director is interested or provide security in connection with a loan and as such section 185 of the Companies Act is not applicable. In our opinion and according to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has made investments in securities of its subsidiaries, which is in compliance with the provisions of Section 186 of the Companies Act, 2013.
 - (v) According to the information and explanation given to us, the company has not accepted any deposits which are covered under the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. Accordingly, reporting under paragraph 3 (v) of the order is not applicable to the Company.
 - (vi) 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. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable to the Company.
 - (vii) According to the information and explanations given to us, in respect of Statutory Dues:
 - a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has generally been regular in depositing its undisputed statutory dues (with respect to amounts deducted / accrued in the books of account) including provident fund, employees state insurance, income-tax, goods and services tax, cess and other material statutory dues (where applicable) to the appropriate authorities. There were no material undisputed dues payable, outstanding as on March 31, 2021, 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. Lakh)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand under section 156	921.38 (excl. interest)	AY 2012 – 13	CIT Appeal

Refer note 34 of the standalone financial statements

- (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 loans or borrowings from banks or financial institutions or government and also did not have any debentures outstanding during the year. Accordingly, reporting under paragraph 3(viii), regarding default in repayment, of the Order is not applicable.
- (ix) In our opinion, according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer or term loans during the year. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to information & explanations given to us, and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to 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, reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanations given to us, and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details have been disclosed in the accompanying 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. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) As per the information and explanations given to us, and based on our examination of the records, during the year, the Company has not entered into any non-cash transaction with directors or persons connected with him. Accordingly, reporting under 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. Accordingly, reporting under paragraph 3(xvi) of the Order is not applicable to the Company.

For TR Chadha & Co LLP

Chartered Accountants

Firm's Registration No. 006711N/N500028

Pramod Tilwani

Partner

Membership No. 076650

UDIN: 21076650AAAACW7462

Place of Signature: Mumbai

Date: June 22, 2021.

'Annexure B' to Independent Auditor's Report

Report on the Internal Financial Controls with reference to standalone financial statements of Metropolitan Stock Exchange of India Limited ('Company'), under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial with reference to standalone financial statements of Metropolitan Stock Exchange of India Limited ('the Company') as of March 31, 2021, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on, the internal control with reference to standalone financial statements 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 (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on, "the internal control with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to standalone financial statements. 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 with reference to standalone financial statements were 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 standalone 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 with reference to standalone financial statements.

Meaning of internal financial controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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 standalone 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 standalone financial statements.

Inherent Limitations of internal financial controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **T R Chadha & Co LLP**

Chartered Accountants

Firm's Registration No. 006711N/N500028

Pramod Tilwani

Partner

Membership No. 076650

UDIN: 21076650AAAACW7462

Place of Signature: Mumbai

Date: June 22, 2021.

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in Lakh)

Particulars	Note	As at March 31, 2021		As at March 31, 2020	
I ASSETS					
1 Non-Current Assets					
(a) Property, plant and equipment	3	185		257	
(b) Intangible assets	4	1,353		1,757	
(c) Intangible assets under development	4	203		171	
(d) Right to use assets		548		243	
(e) Financial assets					
i. Investments					
a. Investment in subsidiaries	5	12,019		12,019	
b. Other Investments	5	891		3,981	
ii. Other financial assets	6	157		5,782	
(f) Income tax assets (net)	7	372		379	
(g) Deferred tax assets (net)	8	186		186	
(h) Other non-current assets	9	4,343	20,256	4,182	28,957
2 Current Assets					
(a) Financial assets					
i. Investments	10	4,909		3,882	
ii. Trade receivables	11	235		67	
iii. Cash and cash equivalents	12	177		1,257	
iv. Bank balance other than (iii) above	13	1,836		478	
v. Other financial assets	14	5,356		382	
(b) Income tax assets (net)	15	76		457	
(c) Other current assets	16	406	12,994	332	6,855
Total Assets			33,250		35,812
II EQUITY AND LIABILITIES					
3 Equity					
(a) Equity Share capital	17	48,052		48,052	
(b) Other equity	18	-19,587		-17,170	
Total Equity			28,465		30,882
Liabilities					
4 Non-Current Liabilities					
(a) Financial liabilities					
i. Lease rental liability	19	458		184	
ii. Other financial liabilities	20	2,196		2,308	
(b) Provisions	21	5		14	
5 Current Liabilities			2,659		2,506
(a) Financial liabilities					
i. Trade payables					
a. Total outstanding dues of micro enterprises and small enterprises		0		2	
b. Total outstanding dues to creditors other than micro enterprises and small enterprises	22	132		45	
ii. Lease rental liability	24	144		418	
iii. Other financial liabilities	23	1,468		1,647	
(b) Other current liabilities	25	365		286	
(c) Provisions	26	17	2,126	26	2,424
Total Equity and Liabilities			33,250		35,812

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

2-55

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.076650

Dinesh Kumar Mehrotra
Chairman & Public Interest Director
DIN :00142711

Latika S. Kundu
Managing Director & CEO
DIN : 08561873

Mumbai
Dated : June 22, 2021

Saket Bhansali
Chief Financial Officer

Manisha Thakur
Head Legal & Company Secretary
ACS10855

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

Particulars	Note	For the Year 2020-21	For the Year 2019-20
1 Income			
(a) Revenue from operations	27	585	525
(b) Other income	28	1,296	1,050
Total Revenue		1,881	1,574
2 Expenditure			
(a) Operating expenses	29	951	1,072
(b) Employee benefits expense	30	1,677	1,699
(c) Finance costs	31	54	139
(d) Advertisement and business promotion expenses	32	59	51
(e) Depreciation and amortisation expense	3 & 4	575	844
(f) Depreciation On Right to Use Assets		250	197
(g) Other expenses	33	745	908
Total Expenses		4,311	4,910
3 Loss before tax		(2,430)	(3,335)
4 Exceptional items		-	(1,480)
5 Loss before tax		(2,430)	(4,815)
6 Tax expense			
Less : Current tax		-	-
7 Loss for the year		(2,430)	(4,815)
8 Other comprehensive income			
1) Items that will not reclassified to profit or (loss) (net of tax)		12	(14)
Total other Comprehensive Income for the year, net of tax		12	(14)
Total Comprehensive Income for the year		(2,418)	(4,829)
9 Earnings per equity share of face value of Re.1 each			
Basic (in Rs.)		(0.05)	(0.10)
Diluted (in Rs.)		(0.05)	(0.10)

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

2-55

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.076650

Dinesh Kumar Mehrotra
 Chairman & Public Interest Director
 DIN :00142711

Latika S. Kundu
 Managing Director & CEO
 DIN : 08561873

Mumbai
 Dated : June 22, 2021

Saket Bhansali
 Chief Financial Officer

Manisha Thakur
 Head Legal & Company Secretary
 ACS10855

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

Particulars	For the year March 31, 2021		For the year March 31, 2020	
A. Cash flow from Operating Activities				
Net Profit / (Loss) before tax as per Statement of Profit and Loss		(2,430)		(4,815)
Adjustments for				
Depreciation/Amortisation	575		844	
Depreciation On Right to Use Assets	250		197	
Impairment of Assets	-		1,480	
Net fair value gain/loss on financial assets measured at fair value through profit and loss	1		13	
Exchange Rate fluctuation	(1)		2	
Interest Income - Bank FD	(506)		(348)	
Interest Income - Corp. FD	(317)		(100)	
Interest on IT Refund	(59)		(80)	
Finance Costs	-		99	
Finance Costs - ROU Asset (net) & Write off Income	(4)		40	
Loss on sale of Fixed Asset (net)	0		-	
Fixed assets / CWIP written off / provided for	80		-	
Provision for doubtful debts	(20)		39	
Profit on sale of investments (net)	(66)		(222)	
Remeasurement of Employee Benefit	12		(14)	
Depletion in value of investments	0	(56)	0	1,950
Operating profit/ (loss) before working capital changes		(2,486)		(2,865)
Adjustments for				
Decrease/ (increase) in Trade receivable	(146)		(49)	
Decrease/ (increase) in financial & other asset	(157)		(162)	
Total Increase / (decrease) in Current and non current assets		(303)		(211)
Increase / (decrease) in trade payables	86		(677)	
Increase / (decrease) in financial and other liabilities	(213)		(585)	
Increase / (decrease) in provision	(18)		13	
Total Increase / (decrease) in Current and non current Liabilities		(145)		(1,249)
Cash generated from/(used in) operations		(2,934)		(4,325)
Net Prior Year Adjustments				
Less:(Taxes paid) / refund received		448		804
Net cash generated from/(used in) operating activities		(2,486)		(3,521)
B. Cash flow from Investing Activities				
Purchase of Fixed Assets (including Capital Work In Progress)		(214)		(248)
Sale of Fixed Assets (net)		2		12
Purchase of current investments		(4,438)		(23,891)
Sale of current investments		7,779		20,884
Fixed deposit placed with banks		(5,000)		(15,500)
Corporate Deposits (net)		(1,278)		(3,981)
Fixed deposit matured		4,010		13,516
Investment in subsidiary company		0		16,295
Profit on sale of investments (net)		65		-
Interest received (net of accrued interest)		762		297
Net cash generated from/(used in) Investing Activities		1,688		7,385

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

Particulars	For the year March 31, 2021		For the year March 31, 2020	
C. Cash flow from Financing Activities				
Finance Costs		-		(99)
Lease Liability Payment		(282)		(228)
Short term borrowings		-		(2,415)
Net Cash Generated from Financing Activities		(282)		(2,742)
Net Increase in Cash and Cash Equivalents		(1,080)		1,122
Cash and Cash Equivalents at Beginning of the Year (Refer note 12)		1,257		136
Cash and Cash Equivalents at End of the Year (Refer note 12)		177		1,257
Add : Fixed Deposits held for more than three months 478		1,836		
Closing Cash and Bank Balance		2,013		1,735
Component of cash & bank balance				
In current account				
Owned		123		851
Earmarked		54		406
Cash on hand		0		0
Stamps in hand		0		0
		177		1,257

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

- 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.
- 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

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

Pramod Tilwani
 Partner
 Membership No.076650

Dinesh Kumar Mehrotra
 Chairman & Public Interest Director
 DIN :00142711

Latika S. Kundu
 Managing Director & CEO
 DIN : 08561873

Mumbai
 Dated : June 22, 2021

Saket Bhansali
 Chief Financial Officer

Manisha Thakur
 Head Legal & Company Secretary
 ACS10855

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. Equity Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares at the beginning of the year	4,81,02,17,033	48,102	4,81,02,17,033	48,102
Add:-Shares issued during the year	-	-	-	-
Equity shares at the end of the year	4,81,02,17,033	48,102	4,81,02,17,033	48,102

B. Other Equity

(₹ in Lakh)

Particulars	Reserves & surplus			Other comprehensive Income	Total
	Securities premium	Retained earnings	Capital Reserve	Remeasurement of employees benefit	
As at 31 March 2019	39,531	(51,876)	0	4	(12,341)
Addition to OCI				(14)	(14)
Profit for the year	(4,815)			(4,815)	
As at 31 March 2020	39,531	(56,691)	0	(10)	(17,170)
Addition to OCI				12	12
Profit for the year	(2,430)			(2,430)	
As at 31 March 2021	39,531	(59,121)	0	2	(19,587)

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.076650

Mumbai
 Dated : June 22, 2021

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

Dinesh Kumar Mehrotra
 Chairman & Public Interest Director
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 Chief Financial Officer

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 Managing Director & CEO
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Manisha Thakur
 Head Legal & Company Secretary
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SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

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 provides platform for trading in Currency Derivatives, Debt Segment, Interest Rate Futures, Equity Cash and F& O segment.

SEBI letter No. SEBI/HO/MRD1/ICC1/OW/P/2019/15096/1 dated September 14, 2020 renewed the recognition granted to the Stock Exchange for a period of one year commencing on the 16th day of September 2020 and ending on 15th day of September 2021.

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 standalone financial statements have been prepared and presented under the historical-cost convention on accrual basis, except as disclosed in the accounting policies below. The company has prepared these financials to comply in all material respect with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, as amended, relevant provisions of the Companies Act 2013, various regulatory guidelines to the extent relevant and applicable to the company and in accordance with the generally accepted accounting principles in India. The accounting policies adopted in the preparation of the financial statements are consistent.

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 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. All financial information presented in Indian rupees has been rounded to the nearest lakh except share and per share data in terms of schedule III unless otherwise stated.

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.

2.4 Revenue recognition

Revenue is recognised in the Statement of Profit and Loss through following steps:

- i) identification of the contract or contracts with the customers
- ii) identification of the performance obligations in the contracts,
- iii) determination of the transaction price
- iv) allocation of the transaction price to the performance obligations in the contract
- v) recognition of revenue when company satisfy a performance obligation.

Revenue mainly comprises :

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.

Membership 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.

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

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

Income from operating lease for asset usage recognised based on the time proportion basis.

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

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).

The Company adopted Ind AS 115 "Revenue from Contracts with customers" w.e.f. 01 April 2018, using the Modified Retrospective transition approach which is applied to contracts that were not completed as of 01 April 2018.

The disclosure of significant accounting reporting requirements relating to revenue from contracts with customers are provided in Notes.

2.5 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.

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.

2.7 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.

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 III 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	5-8
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.

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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

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.

2.12 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.

2.13 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.

2.14 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.

2.15 Key Accounting Estimates and Judgment

As per Ind AS the accounting policy should also disclose the significant estimates and critical judgment 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 judgments, 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 judgments 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 financial 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 judgments 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 judgment 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 judgment 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 be 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.

2.16 Leases

The Company's lease asset primarily consists of leases for buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense.

The right-of-use assets initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it exercises an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet, and lease payments have been classified as financing cash flows.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021.
 (RUPEES IN LAKHS, EXCEPT SHARE AND PER SHARE DATA, UNLESS OTHERWISE STATED)**
3 Property, Plant and Equipment

(₹ in Lakh)

Particulars	Office Equipment's	Computer Hardware	Furniture & Fixtures	Vehicles	Leasehold Improvements	Right of use assets	Total
Gross Carrying amount as at 31.03.2019	185	3,806	51	26	166	-	4,234
Addition	2	4	-	-	-	767	773
Disposals/Write off	34	521	5	15	-	302	877
Gross Carrying amount as at 31.03.2020	153	3,289	47	11	166	465	4,131
Addition	0	40				695	735
Disposals/Write off	60	302	4		165	465	997
Gross Carrying amount as at 31.03.2021	93	3,027	43	11	0	695	3,869
							-
Accumulated Depreciation as at 31.03.2019	161	3,456	31	12	135	-	3,796
Depreciation charges during the year	9	149	5	2	13	347	523
Disposals/Write off	34	522	5	3	-	125	689
Accumulated Depreciation as at 31.03.2020	136	3,083	31	11	148	222	3,630
Depreciation charges during the year	7	81	4	1	18	250	360
Disposals/Write off	59	302	3		165	324	854
Accumulated Depreciation as at 31.03.2021	83	2,861	32	11	0	147	3,136
							-
Net Carrying amount as at 31.03.2021	9	165	10	(0)	0	548	733
Net Carrying amount as at 31.03.2020	17	206	15	1	18	243	501

4 Intangible Assets and Intangible Assets under development

(₹ in Lakh)

Particulars	Computer Software**	Intangible asset under development	Total
Gross Carrying amount as at 31.03.2019	10,996	92	11,088
Addition	164	430	594
Disposals/write off	1,032	351	1,383
Gross Carrying amount as at 31.03.2020	10,128	171	10,299
Addition	61	86	146
Disposals/write off	6	53	59
Gross Carrying amount as at 31.03.2021	10,183	203	10,386
Accumulated Depreciation as at 31.03.2019	7,255	-	7,255
Depreciation charges during the year	669		669
Disposals/write off	1,032		1,032
Impairment loss	1,480		1,480
Accumulated Depreciation as at 31.03.2020	8,371	-	8,372
Depreciation charges during the year	465		465
Disposals/write off	6		6
Impairment loss			-
Accumulated Depreciation as at 31.03.2021	8,830	-	8,830
Net Carrying amount as at 31.03.2021	1,353	203	1,556
Net Carrying amount as at 31.03.2020	1,757	171	1,927

(Other than internally generated)

** In certain cases the company has only usage right and not the title or ownership, net carrying amount of Rs. 921 Lakhs (PY 919 lakh)

5 Non Current Investment

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Investment in Equity Instrument				
Unquoted (at cost)				
Subsidiary Companies				
12,01,71,400 Equity Shares (PY 12,01,71,400) of Metropolitan Clearing Corporation India Limited of Rs.10 each fully paid-up.	12,017		12,017	
50,000 Equity Shares (PY 50,000) of MCX-SX KYC Registration Agency Ltd. of Rs.10 each fully paid-up.	5		5	
	12,022		12,022	
Less :- Provision for dimunition in the value of Investments	3.07	12,019	3	12,019
Other Investments				
Corporate Fixed Deposits				
HDFC Ltd	-		1,501	
LIC Housing Finance Limited	-		1,000	
Mahindra & Mahindra Finance Limited	891		500	
Bajaj Finance Ltd	-	891	980	3,981
Total		12,910		16,000
Aggregate book value of quoted investments				
Aggregate market value of quoted investments				
Aggregate carrying value of un-quoted investments		12,910		16,000
Aggregate amount of impairment in value of investments		3		3

6 Other Financial Assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Non Current Bank Balance				
Deposit with banks (with Original Maturity more than 12 months)		-		2,228
Earmarked				
Towards members deposit		-		3,129
Towards investor service fund		40		129
Towards defaulter committee fund		-		23
Lease rental receivable		-		77
Others				
Security Deposits		117		196
Total		157		5,782

7 Income Tax Assets (Net)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Advance income tax (net)		372		379
Total		372		379

8 Deferred tax assets (Net)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
MAT credit entitlements*		186		186
Total		186		186

* The management expects the company to pay normal tax and benefit associated with MAT credit will flow to the company within permissible time limit stipulated under income tax act, 1961 to the extent MAT asset recognised.

9 Other Non-Current Assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good)				
Tax recoverable, statutory deposits and dues from government		4,328		4,171
Prepaid expenses		15		11
Total		4,343		4,182

10 Current Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Rupees	Units	Rupees
In Mutual Funds (Quoted) *				
Investments in mutual funds at FVTPL				
ABSL MMF - G-D		-	1,05,964.940	287
ABSL Liquid Fund - G-D	30,190.442	100	1,91,731.372	613
ABSL Overnight Fund - G-D	826.876	9	103.072	1
HDFC MM Fund –D – G		-	4,741.094	200
HDFC Liquid Fund - Dir - Growth		-	11,786.909	460
HDFC Overnight Fund - D-G		-	11.608	0
HDFC Overnight Fund - R-G	3,538.850	108	-	-
Nippon India OVERNIGHT FUND – D-G		-	136.397	0
Nippon India Liquid Fund - DGP - G OPTION	1,491.692	75	4,126.136	200
Nippon India MM Fund – D.G. Plan		-	10,682.731	326
ICICI Prudential Liquid Fund D-G		-	1,64,745.463	484
ICICI Prudential Overnight Fund D-G	67,426.786	75	-	-
Kotak Liquid Fund - D-G		-	13,172.923	529
Axis Overnight Fund - R-G	9,514.433	103	-	-
Axis Liquid Fund D-G		-	35,431.315	781
Invesco India Liquid Fund - Growth	2,516.743	71		-
Total		541		3,882
Other Investments				
Corporate Fixed Deposits **				
HDFC Ltd	1,398		-	
LIC Housing Finance Limited	1,500		-	
Mahindra & Mahindra Finance Limited	100		-	
ICICI Home Finance	220			
Bajaj Finance Ltd	1,150	4,368		
		4,909		3,882
Aggregate book value of quoted investments		4,909		3,882
Aggregate market value of quoted investments		4,909		3,882
Aggregate carrying value of un-quoted investments		-		-
Aggregate amount of impairment in value of investments		-		-
* Rs. 70.33 Lakh (PY Rs. 11.91 Lakh/-) are towards making payments of the deposits of members.				
** Rs. 367 Lakh (PY Rs. Nil) are towards making payments of the deposits of members.				

11 Trade receivables

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Current				
Unsecured, considered good		211		51
Receivables which have significant increase in credit risk		23		16
Credit impaired	77		97	
Less :- Allowance for credit impaired debts (expected credit loss)	77	-	97	-
Total		235		67

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 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, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Balance at the beginning of the year		97		58
Impairment loss allowance on trade receivables		(20)		39
Balance at the end of the year		77		97

12 Cash and cash equivalent

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Balance with banks				
- In current accounts				
Owned	123		80	
Earmarked				
Towards investor service fund	5		2	
Towards arbitration	15		15	
Towards defaulter committee fund	0		0	
Total		144		97
- Fixed Deposit with banks having maturity less than 3 months				
Owned	-		771	
Earmarked				
Towards members deposit	-		370	
Towards investor service fund	-		7	
Towards defaulter committee fund	33		12	
Stamps in hand	0		0	
Cash on hand	0		0	
Total		34		1,160
Total		177		1,257

13 Other Bank balance

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Other Bank Balances in Fixed Deposits		427		457
Earmarked				
Towards Arbitration Deposits		10		-
Towards Investor Service Fund		44		21
Towards Defaulter Committee fund		32		-
Towards Members Deposit fund		1,323		-
Total		1,836		478

14 Other Financial Assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Loan to Metropolitan Stock Exchange ESOP Trust	11		11	
Less :- Provision for Doubtful Loan	11	-	11	-
Current Bank Balance				
Deposit with banks (with Original Maturity more than 12 months)		3,567		
Earmarked				
Towards members deposit		1,306		-
Towards investor service fund		101		-
Towards defaulter committee fund		128		-
Interest accrued on Fixed Deposits		134		90
Owned	83		80	
Earmarked	51		10	
Interest Accrual on Corporate FD		117		100
Lease rental receivable		-		191
Unbilled receivable		0		0
Security Deposits		3		-
Total		5,356		382

15 Income Tax Assets (Net) - Current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Advance Income Tax (Net of Provision)		76		457
Total		76		457

16 Other Current Assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good, unless otherwise stated)				
Advances to vendors		262		247
Advances to employees		1		0
Capital advances		45		0
Prepaid expenses		98		84
Other loan and advances	-		15	
Less :- Provision for doubtful advance	-	-	15	1
Total		406		332

17 Equity Share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Authorised : 5,50,00,00,000 (PY 5,50,00,00,000) Equity Shares of Re.1/- each		55,000		55,000
Issued : 4,81,02,17,033 (PY 4,81,02,17,033) Equity Shares of Re.1/- each #		48,102		48,102
Subscribed and Paid-up 4,81,02,17,033 (PY 4,81,02,17,033) Equity Shares of Re.1/- each	48,102		48,102	
Less :- Amount recoverable from Metropolitan Stock Exchange ESOP Trust (Refer Note 18.4) 49,77,671 [(PY 49,77,671) equity shares of Re 1/- each fully paid allotted to the Metropolitan Stock Exchange ESOP Trust]	50		50	
		48,052		48,052
Total		48,052		48,052

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, 2021		As at March 31, 2020	
	No. of Shares	Rupees	No. of Shares	Rupees
Equity shares				
At the beginning of the Year	4,81,02,17,033	48,102	4,81,02,17,033	48,102
Issued during the Year	-	-	-	-
Outstanding at the end of the Year	4,81,02,17,033	48,102	4,81,02,17,033	48,102

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Re.1/- each fully paid-up Multi Commodity Exchange Of India Ltd	33,17,77,008	6.90%	33,17,77,008	6.90%

18 Other Equity

Particulars	Reserves & surplus			Other Comprehensive Income	Total
	Securities premium	Retained earnings	Capital Reserve	Remeasurement of employees benefit	
As at 31 March 2019	39,531	(51,876)	0	4	(12,341)
Addition to OCI	-			(14)	(14)
Loss for the year	-	(4,815)			(4,815)
As at 31 March 2020	39,531	(56,691)	0	(10)	(17,170)
Addition to OCI	-			12	12
Forfeited during the year	-				-
Loss for the year	-	(2,430)			(2,430)
As at 31 March 2021	39,531	(59,121)	0	2	(19,587)

18.1 Securities premium

Securities premium reflects issuance of the shares by the company at a premium i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a securities premium as per the provisions of the Companies Act, 2013. The premium is utilised in accordance with the provisions of the Companies Act, 2013.

18.2 Retained earnings

The same reflects surplus/deficit after taxes in the statement of profit and loss. The amount that can be distributed by the company as dividends to its equity share holders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

18.3 Capital Reserve

Capital Reserve represents the amount forfeited on 25,445 warrants against which Rs. 0.12 lakh has been collected.

18.4 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 Lakhs 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 49.78 Lakhs (Previous Year Rs. 49.78 Lakhs) has been deducted from share capital account and the balance part of the loan representing the amount of Rs. 10.08 Lakhs (Previous Year Rs. 10,08 Lakhs] has been added to short term loans and advances in note no.14. The balance of such loan as at March 31, 2021 is Rs. 60.00 Lakhs. 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.

19 Lease rental liability - Non Current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		458		184
Total		458		184

20 Other financial liabilities - Non Current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards :				
- Deposits		2,179		2,308
- Other Liabilities		18		-
Total		2,196		2,308

21 Provisions - Non Current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Provision for leave encashment		5		14
Total		5		14

22 Trade Payables

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Total outstanding dues of micro enterprises and small enterprises		0		2
Total outstanding dues to creditors other than micro enterprises and small enterprises		132		45
Total		132		47

23 Other current financial liabilities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Deposits from members		1,076		1,263
Share application money refundable		0		0
Other payable		392		384
Total		1,468		1,647

24 Lease rental liability - Current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		144		418
Total		144		418

25 Other Current Liabilities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Unearned income (Refer note 49)		36		33
Investor Service fund # [Including interest earned of Rs. 11 lakh (PY 10 lakh)		206		168
Sebi Regulatory Fees		12		11
TDS Payable		34		39
Other Liabilities including Statutory Liabilities		78		34
# 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. 206 lakh (PY 168 lakh) as at March, 31, 2021 represents the Listing Fees Contribution, net of expenses and interest earned thereon.				
Total		365		286

26 Provisions - Current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Provision for gratuity		16		24
Provision for leave encashment		1		2
Total		17		26

27 Revenue from operations

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Revenue from operations				
Sale of services -				
Transaction Fees		158		68
Other operating revenue -				
Processing Fees		51		22
Listing Fees		174		172
Other connectivity charges		80		98
Data Feed Charges		45		45
Examination Fees		-		12
Membership Surrender Fee		68		94
Other revenue from Operations		9		14
Total		585		525

28 Other income

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Interest on Bank Deposits		506		348
Interest on Corporate Deposits		317		100
Interest Income Others		64		123
Profit on sale of Current Investments (Net)		66		222
Exchange Rate Fluctuation (net)		1		-
Profit on sale of assets		1		-
Operating Lease Income for Asset Usage		132		243
Miscellaneous Income		208		14
Total		1,296		1,050

29 Operating expenses

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Clearing and Settlement Charges		54		21
Technology Cost		652		736
Sebi Regulatory Charges		24		27
Internet Connectivity Charges		1		1
Direct Communication Expenses		43		14
POP / NPN Charges		69		114
Co-Location Charges		54		90
Electricity Expenses- Direct		54		69
Total		951		1,072

30 Employee benefits expense

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Salaries, Allowances and Bonus		1,583		1,563
Contribution to Provident Fund and other funds		88		87
Staff Welfare and Other Amenities		6		49
Total		1,677		1,699

31 Finance costs

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Interest expenses		-		99
Finance cost - Right to use Asset-Ind AS		54		40
Total		54		139

32 Advertisement and Business Promotion Expenses

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Advertisement		4		7
Business Promotion Expenses		54		30
Sponsorships and Seminar		1		14
Total		59		51

33 Other expenses

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Rent*		51		163
Repairs and Maintenance - Others		171		92
Insurance		30		32
Travelling and Conveyance		10		37
Communication Expenses		9		13
Legal and Professional Charges		81		210
Electricity Expenses		31		41
Membership and Subscription Fees		7		25
Directors Sitting Fees		66		52
Payment to Auditors :				
- Audit Fees	15		15	
(Incl. tax audit, ICFR report)				
- Other matters (Certification)	5		6	
- Reimbursement	-	19	0	21
Depletion in Value of Investments		0		0
Loss on Sale of Fixed Asset (net)		1		-
Provision towards CWIP		80		-
Exchange Rate Fluctuation (net)		-		2
ROC Fees		-		0
Expected Credit Loss		34		39
Bank Charges		0		1
Rates & Taxes		5		8
Printing & Stationery		5		17
Contribution to ISF		28		35
CENVAT Credit written off		27		22
Fair valuation of Mutual fund (loss)		1		13
Miscellaneous Expenses		89		85
Total		745		908

* Represents Rent Expenses for Short Term Lease for the Current Financial Year.

34 Contingent Liability**(i) Claim against the Company not acknowledged as debts :**

- a. IL&FS Financial Service Limited (IFIN) a 100% subsidiary of Infrastructure Leasing and Financial Services Limited (IL&FS) has filed a suit before the Bombay High Court against MSE (Suit No. 295 of 2014), along with a Notice of motion for interim relief for breach of the Share Purchase Agreement dated August 20, 2009 entered into between IFIN (Plaintiff), MSE (Defendant No.1) and MCX (Defendant No.2) for purchase of shares of MSE by IFIN from MCX. Various reliefs have been sought by IFIN from MCX and MSE (on a joint and several basis), including monetary claim of INR 84.21 crore along with interest. Pleadings are completed and have been recorded by the Prothonotary.

The Notice of Motion no. 530/2014 in Suit no.: 295/2014 was heard on June 11, 2019 and the Hon'ble Bombay High Court through its order dated June 12, 2019 ordered that MSE and MCX, shall be restrained either directly or indirectly from issuing any further shares of MSE in any manner whatsoever without seeking the plaintiff's prior written consent in accordance with and/or in terms of Clause 5.5(a) of the SPA dated August 20, 2009. However, it was clarified by the Court that if IFIN unreasonably withholds its consent then MSE shall be at liberty to approach the court for appropriate orders. MSE has filed an Appeal to the said order dated June 12, 2019 which will be taken up for hearing in due course of time.

The suit remains pending and no date of hearing has been fixed yet.

- b. 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 and a refund of Rs. 683.05 Lakhs has been received on the 4th May 2019. 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.
- c. Claims not acknowledged as debt Rs. 70 Lakh (PY Rs.18.29 Lakh)
- d. MCCIL has raised few invoices amounting to Rs.644.44 Lakh (excluding taxes) for the period April 1, 2020 to March 31, 2021 under C&S Agreement 2012 which is unenforceable as trades are being cleared under Interoperability Agreement (IO). MCCIL has raised these invoice towards C&S charges on the basis of C&S agreement signed in 2012 which is no longer valid post implementation of interoperability (IO) as a multi-partite IO Agreement was executed effective from June 1, 2019 for C&S charges, for CDS, EDS and Equity segment. C&S Agreement had been overridden by IO Agreement for Currency Derivatives, Equity and Equity Derivatives segments w.e.f. June 1, 2019. Further, the Exchange has issued a letter to MCCIL on September 15, 2020 for termination of C&S Agreement as applicable to Debt segment which was temporarily suspended with effect from September 18, 2020 as there were no trades in this segment since 2013. MCCIL has been requested to withdraw the invoices.

(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.

35 Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs 31.89 Lakhs as on 31st March, 2021. (PY Rs. 290.11 Lakhs).

36 The auditor in their audit report on the standalone financial result for the quarter and year ended March 31, 2021 expressed below qualification which is summarized along with the Company's comments on the same:

The company continues to prepare its Standalone Financial Result on going concern basis even though it has continued to incur significant losses during the current and preceding periods. As advised, the Company is adequately capitalised, it has gone live on interoperability, operations are functioning and gross revenue are expected to increase in future years and accordingly the company continues to prepare its Financial Result on going concern basis. However, the business volumes are not sufficient and there is no clarity on increasing revenue & making profits in future and the Company could not achieve its projected revenues so far. The management has also considered the GST Credit available amounting to Rs. 4,328 Lakh and MAT Credit Entitlement amounting to Rs.186 Lakh as recoverable treating the company as going concern. Considering the uncertainty, we are unable to comment on the preparation of accounts on going concern basis and not making provisions / impairment for the above and the adjustments, if any, that will be arising out of the same.

The Company is adequately capitalized, the regulatory net worth of the company as on March 31, 2021 stands at Rs.164.46 Crores as against minimum regulatory requirement of Rs. 100 Crore. Further, the Exchange has also gone live on regulatory requirement like interoperability and Exchange's operations are running smoothly & appropriately. It is pertinent to note that during the current FY 2020- 21, the core transaction income of the Exchange increased on account of increased volumes. Apart from the above, the Exchange is taking various initiatives which will help in building further volumes and thereby revenue. Further, the Exchange has also adopted various cost reduction measures, which shall help the Exchange in availing the said Credit. Hence, over the period of time as MSE's business will enhance, this available CENVAT credit shall be utilized to offset government GST liabilities and shall act as cash savings for the organization. Accordingly the Company continues to prepare its Financial Statements on going concern basis. The management also believes for recovery of GST & MAT credit available to it in future years.

37 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. 5550 Lakhs 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 indulging 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 (Now NLCAT) on August 05, 2014. The Hon'ble Supreme Court granted NSE interim stay on the recovery of the penalty amount of Rs. 5550 Lakhs (@ 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.

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. 85699 Lakhs. under Section 53N (1) of the Competition Act, 2002 before the COMPAT (now NCLAT). Vide order dated 12.02.18 passed by Hon'ble Supreme Court in Civil Appeal No.8974 of 2014 an interim stay of proceeding of damages had been passed. In the circumstances, 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.

The Exchange in consultation with Senior Counsel has continuously strategized to get the matter listed at Supreme Court on 14 occasions from middle of 2019 up to beginning of lockdown, however the matter was not taken up by Supreme Court. After lockdown commenced since March 2020, Supreme Court has been since continuously notifying up to as recently as April 2021 that only urgent matters (such as Death Penalty, Property demolition, Eviction, Anticipatory Bail, Election, Auction, etc.) and part heard matters would be heard through Video Conference, nevertheless, the Exchange is pursuing to get the matter heard, despite NSE's efforts to adjourn it. MSE will continue its efforts to get the matter heard.

38 Earnings per share ('EPS') (Amount in Rs. Except for number of Shares)

Particulars	Apr-20 to Mar-21	Apr-19 to Mar-20
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders	(2,430)	(4,815)
Weighted average number of equity shares outstanding during the year for basic EPS	4,81,02,17,033	4,81,02,17,033
Add-Shares Issued to ESOP Trust	49,77,671	49,77,671
Weighted average number of equity shares outstanding during the year for diluted EPS	4,81,51,94,704	4,81,51,94,704
Basic earnings per share of face value Re. 1 each	(0.05)	(0.10)
Diluted earnings per share of face value Re. 1 each	(0.05)	(0.10)

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

Particulars	2020-21	2019-20
Employer's Contribution to Provident Fund	60	64

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, 2021 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, 2021.

I Changes in the present value of Projected Benefit Obligation representing reconciliation of opening and closing balances thereof are as follows: (Amount in Lakh)

Particulars	Gratuity	
	2020-21 (Funded)	2019-20 (Funded)
Projected Value of Benefit Obligation at the beginning of the year	152	115
Current Service cost	23	18
Interest Cost	10	9
Liability transfer in	-	-
Liability transfer out	-	-
Actuarial (gain) / loss	(14)	12
Benefits paid	(36)	(3)
Defined Benefit obligation at the end of the year	135	152

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

Particulars	Gratuity	
	2020-21	2019-20
Fair Value of Plan Assets at the beginning of the year	128	102
Expected Return On Plan Assets	8	8
Contribution during the year	20	23
Transfer From Other Company	-	-
Transfer To Other Company	(0)	-
Benefit Paid From The Fund	(36)	(3)
Actuarial Gains/(Losses) On Plan Assets	(2)	(1)
Fair Value of Plan Assets at the end of the year	119	128

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

Particulars	Gratuity	
	2020-21	2019-20
Present value of Benefit Obligation at the end of the Project	(135)	(152)
Fair Value of Plan Asset at the end of the Period	119	128
Funded Status (Surplus / (Deficit))	(16)	(24)
Net Liability/(Asset) recognized in Balance Sheet (Current)	(16)	(24)

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

Particulars	Gratuity	
	2020-21 (Funded)	2019-20 (Funded)
Current service cost	23	18
Interest Cost	2	1
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Net expenses	25	19

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

Particulars	Gratuity	
	2020-21	2019-20
Actuarial (Gains) / Losses on obligation for the period	(14)	12
Return on plan assets, excluding interest income	2	1
Change in asset Ceiling	-	-
Net (income) / expense for the period recognized in OCI	(12)	14

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

Particulars	Fund		Employer	
	2020-21	2019-20	2020-21	2019-20
Projected benefits payable in Future Years from Date of reporting				
1st Following year	8	9	-	-
2nd Following year	9	10	-	-
3rd Following year	10	11	-	-
4th Following year	13	11	-	-
5th Following year	13	14	-	-
6th - 10th Following years	55	67	-	-
11th year and above	151	175	-	-

VII Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, 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 Lakh)

Particulars	Gratuity	
	2020-21	2019-20
Projected benefit obligation on Current Assumption	135	152
Effect of +1% change in Rate of discounting	(10)	(12)
Effect of -1% change in Rate of discounting	12	14
Effect of +2% change in Rate of Salary Increase	12	29
Effect of -2% change in Rate of Salary Increase	(10)	(23)
Effect of +5% change in Rate of Employee Turnover	(0)	(3)
Effect of -5% change in Rate of Employee Turnover	0	3

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:

Particulars	Gratuity As at	
	31-Mar-21	31-Mar-20
Mortality Table(LIC)	Indian Assured Lives Mortality (2006-08)Ult	Indian Assured Lives Mortality (2006-08)Ult
Rate of employee turnover	For service 4 yrs & below 19% pa & 7% pa thereafter	For service 4 yrs & below 19% pa & 7% pa
thereafter		
Discount rate (per annum)	6.56%	6.56%
Expected Return on Plan Asset	6.56%	6.56%

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)
- MSE Fintech Limited (erstwhile MCX-SX KYC Registration Agency Limited).

(ii) Key Management Personnel (KMP)

- Ms. Latika S. Kundu (MD & CEO) w.e.f. March 12, 2020
- Mr. Saket Bhansali (CFO) w.e.f. August 21, 2020
- Ms. Manisha Thakur (Company Secretary) w.e.f. May 13, 2020
- Mr. Kunal Sanghavi (CFO) up to April 13, 2020
- Mr. Yashwant Kakade (Company Secretary) up to January 20, 2020

(iii) Others

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

b) Details of transactions with related parties

Nature of Transaction	MSE Fintech Limited (erstwhile MCX-SX KYC Registration Agency Limited).	Metropolitan Clearing Corporation Of India Ltd (Subsidiary)	MCX SX IPF CDS Trust (Others)#	Metropolitan Stock Exchange ESOP Trust (Others)
Expenses				
Clearing and settlement charges	-	1	-	-
	-	3	-	-
Other services	-	21	-	-
	-	26	-	-
Income				
Rent income	-	60	-	-
	-	196	-	-
Assets Transfer	-	2	-	-
	-	-	-	-
Shared service cost recovered	-	165	-	-
	-	291	-	-
Reimbursement of Expenses	0	-	-	-
	-	-	-	-
Receipt under Capital Reduction	-	-	-	-
	-	16,295	-	-
Amount Receivable	-	119	-	0
	0	-	1	0
Amount Payable	-	-	-	-
	0	12	-	0
Closing Balance of Investments in equity shares	5	12,017	-	-
	5	12,017	-	-
Closing Balance of Loan to ESOP Trust	-	-	-	60
	-	-	-	60
Closing Balance	-	-	-	-
	-	-	-	-

The company acts as an intermediary for collection of penalties and share of listing fees to be transferred to Metropolitan Stock Exchange Investor Protection Fund accordingly those transactions have not been considered above.

c) Transactions with KMP:

Nature of transactions	Amount (Rs. in Lakh)
Salary & allowances*:	
Ms. Latika S. Kundu	75
	<i>3</i>
Mr. Saket Bhansali	37
	-
Ms. Manisha Thakur	34
	-
Mr. Kunal Sanghavi	15
	<i>47</i>
Mr. Yashwant Kakade	-
	<i>9</i>
Director Sitting Fees	
Mr. Dinesh K Mehrotra	12
	<i>9</i>
Mr. Ketan Shivji Vikamsey	2
	<i>9</i>
Mr. S V D Nageswara Rao	15
	<i>11</i>
Mr. Sudhir Kumar Bassi	5
	<i>5</i>
Ms. Trishna Guha	13
	<i>10</i>
Mr. Vijay Sardana	11
	<i>7</i>
Mr. Ajai Kumar	7
	-

*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 italic 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

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Accordingly, Company on periodic basis collects the required information from the vendors as to whether they are covered under Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006). Based on the vendors identified as above the outstanding amounts payable to vendors covered under Micro, Small and Medium Enterprises Development Act 2006 are given below;

Particulars	2020 - 21	2019 - 20
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	Principal - Rs.28,575/- Interest-Rs.Nil	Principal - Rs.1,62,386/- Interest-Rs.Nil
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	N.A.	N.A.
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	N.A.	N.A.
The amount of interest accrued and remaining unpaid at the end of accounting year; and	N.A.	N.A.
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	N.A.	N.A.

43 Operating lease

The Company's lease asset primarily consist of leases for office space having various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

a) Carrying value of right of use assets and the movements thereof :

Particulars	For the year ended	
	2020 - 21	2019 - 20
Opening Gross Block	465	-
Addition	695	767
Deletion	465	302
Closing Gross Block	695	465
Opening Accumulated Depreciation	222	-
Addition	250	347
Deletion	324	125
Closing Accumulated Depreciation	147	222
Net Block	548	243

b) Carrying value of Lease Liability and the movements thereof :

Particulars	For the year ended	
	2020 - 21	2019 - 20
Opening Balance	603	-
Addition	671	1,268
Interest Cost accrued during the year	59	60
Lease liability payment	310	423
Deletion	421	302
Closing Balance	602	603
Current Lease Liability	144	418
Non Current Lease Liability	458	184

- c) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Rental expense recorded for short-term leases or cancellable in nature was Rs. 51 Lakhs (Previous Year 163 Lakhs).
- d) i) 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 Lakhs)

Particulars	As at	
	31-Mar-21	31-Mar-20
Future minimum lease payments		
Not later than one year	271	530
Later than one year and not later than five years	526	188
Later than five years	-	-

- ii) Lease payments recognised in the statement of Profit & Loss is Rs. 369.10 Lakhs (Previous year Rs. 586.01 Lakhs).
- iii) Sub-lease payment received and recognised in the statement of Profit & Loss is Rs. 59.97 Lakhs (Previous Year Rs. 195.89 Lakhs).

44 Fair value Measurement

Financial Instruments by category

Particulars	31-03-2021			31-03-2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	-	12,019	-	-	12,019
Other Instruments	-	-	5,259	-	-	3,981
Mutual Funds	541	-	-	3,882	-	-
Trade receivables	-	-	235	-	-	67
Cash and cash equivalents	-	-	177	-	-	1,257
Bank balances other than cash and cash	-	-	1,836	-	-	478
Deposits	-	-	157	-	-	5,782
Other financial assets	-	-	5,356	-	-	382
Total financial assets	541	-	25,038	3,882	-	23,966
Financial liabilities						
Trade payables	-	-	132	-	-	213
Other financial liabilities	-	-	3,664	-	-	3,789
Total financial liabilities	-	-	3,796	-	-	4,002

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 Lakhs)

Particulars	As at	
	31st March, 2021	31st March, 2020
Financial assets		
At Fair value through profit & loss		
Level 1		
Mutual fund Investments	541	3,882
	541	3,882

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. 10,000 Lakhs 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, 2021 except in case of dispute (if any).

Other Financial Assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, Corporates 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, 2021 and March 31, 2020.

(Amount in Lakhs)

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2021				
Liabilities				
Trade payables	132	132	-	132
Other financial liabilities	3,664	1,468	2,196	3,664
Assets				
Trade Receivables	235	235	-	235
Investment	16,928	4,909	12,019	16,928
Other Investments	891	-	891	891
Cash and Cash equivalents	177	177	-	177
Bank balances other than cash and cash equivalents	1,836	1,836	-	1,836
Deposits	157	-	157	157
Other financial assets	5,356	5,356	-	5,356
As at March 31, 2020				
Liabilities				
Trade payables	213	213	-	213
Other financial liabilities	3,789	1,481	2,308	3,789
Assets				
Trade Receivables	67	67	-	67
Investment	15,902	3,882	12,019	15,902
Other Investments	3,981	-	3,981	3,981
Cash and Cash equivalents	1,257	1,257	-	1,257
Bank balances other than cash and cash equivalents	478	478	-	478
Deposits	5,782	-	5,782	5,782
Other financial assets	382	382	-	382

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 its components. For example, the Company has 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.

Post implementation of interoperability requirements, all Exchanges are required to contribute such amounts to the Core SGF of the Clearing Corporations as may be determined in accordance with the methodology specified by SEBI. The contribution to the Settlement Guarantee Fund of each Clearing Corporation is based on the ratio of Turnover of each Exchange to the relevant Clearing Corporation. Subject to SEBI Regulations, the Exchanges can also withdraw their excess Core SGF contributions.

As per Securities contracts regulations (stock exchange and clearing corporations) regulations 2018, a recognised stock exchange shall have a minimum net worth of Rs. 10,000 Lakhs at all times. Wide letter dated September 14, 2020 SEBI has granted renewal to the exchange for the period September 16, 2020 to September 15, 2021. The Exchange has met the above regulatory requirement wrt to recognition of exchange.

47 Taxes
a) Income Tax Expenses

The major components of income tax expenses for the year ended March 31, 2021

Profit or loss section

Particulars	2020-21	2019-20
Current tax expense	-	-
Tax expense of earlier years	-	-
Deferred tax	-	-
Total income tax expense recognised in profit or loss	-	-

Other comprehensive income section

Particulars	2020-21	2019-20
Re-measurements of the defined benefit plans;	-	-
Total income tax expense recognised in Other comprehensive income	-	-

b) Reconciliation of effective tax rate

Particulars	2020-21	2019-20
a) Income before income tax	(2,430)	(4,815)
b) Enacted tax rate in India	26.000%	26.000%
c) Expected tax expenses (a*b)	-	-
d) Other than temporary differences		
Investment income	-	-
Expenses disallowed / (allowed)	-	-
Total	-	-
e) Temporary difference	11,864	11,312
Temporary difference on which deferred tax assets not recognised	(11,864)	(11,312)
Total	-	-
f) Net adjustments (d+e)	-	-
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

Particulars	2020-21	2019-20
Repair, Maintenance & Sponsorship	38	26

49 Revenue from contract with customer
a The revenue from contracts with customers to the amounts disclosed as total revenue is as under

Particulars	2020-21	2019-20
Revenue from contract with customer	575	510
Revenue from other sources	9	14
Total	585	525

b The disaggregation of revenue from contracts with customers is as under :
i Geographical Location

Particulars	2020-21		2019-20	
	India	Foreign	India	Foreign
Total Revenue	562	23	502	23

ii At point in time / Over time

Particulars	2020-21			2019-20		
	At point in time	Over Time	Total	At point in time	Over Time	Total
Total Revenue	286	298	585	210	315	525

c The contract assets & liability from contract with customers are as under :
i Contract Assets

Particulars	2020-21	2019-20
Opening Balance of Contract Asset	16	3
Previous year - Contract Asset - reclassified to trade receivable on invoicing	16	3
Current year – Contract asset	71	16
Closing Balance of Contract Assets	71	16

ii Contract Liability

Particulars	2020-21	2019-20
Opening Balance of Contract Liability	33	36
Previous year - Contract Liability - Revenue recognized during the year	3	12
Current year – Contract Liability Carried forward	6	9
Closing Balance of Contract Liability	36	33

50 Interoperability among Clearing Corporations (CC) was implemented w.e.f June 2019. After implementation of the same, members of the Exchange have the option to choose CC to clear their trades. Further, as per the requirement laid down vide SEBI circular dated August 27, 2014 for contribution by Exchange to core SGF of each CC through which its trades are cleared. The Exchange had contributed towards the same to the tune of Rs. 10.41 crores (excluding interest earned thereon) to MCCIL. Further, the Exchange has represented to SEBI for allowing the excess contribution made by the Exchange to MCCIL to be adjusted with the said contribution to other Clearing Corporations requirements, which SEBI has allowed to all the Exchanges vide its circular SEBI/HO/MRD2/DCAP/CIR/P/2021/03 dated January 8, 2021. As per the confirmation received from the MCCIL, MCCIL has transferred Rs 101.06 Lakhs to NCL and Rs. 75 Lakhs to ICCL as per the Core SGF requirement. Accordingly, MSE has complied with the core SGF requirement.

51 Office of Regional Director, (WR), Ministry of Corporate Affairs vide letter dated March 25, 2021 intimated commencement of inspection u/s 206(5) of the Companies Act, 2013. The Exchange has submitted necessary documents.

52 Impact of Covid 19

Impact of COVID 19: The Company being Exchange is under Essential Service Category and was exempted from closure vide SEBI notification dated March 24, 2020. The said exemption was also carried forward vide notification dated April 15, 2020 and May 03, 2020.

As determined by the management, for the year ended March 31, 2021, the impact of CoVID-19 pandemic on Company's financials and Operations remained insignificant. However, going forward the full extent to which the pandemic will impact the future financial results of the Company will depend on upcoming developments, which are highly uncertain. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any.

53 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.

54 In the opinion of the management the loans and advances are approximately of the value stated, if realized, paid in ordinary course of business. The provision for all known liabilities are adequate and are not in excess of amount considered reasonably necessary.

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

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.076650

Mumbai
 Dated : June 22, 2021

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

Dinesh Kumar Mehrotra
 Chairman & Public Interest Director
 DIN :00142711

Saket Bhansali
 Chief Financial Officer

Latika S. Kundu
 Managing Director & CEO
 DIN : 08561873

Manisha Thakur
 Head Legal & Company Secretary
 ACS10855

INDEPENDENT AUDITOR'S REPORT

To the Members of Metropolitan Stock Exchange of India Limited
Report on the Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of **Metropolitan Stock Exchange of India Limited** ('Holding Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2021 the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Change in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and its consolidated loss (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Qualified Opinion

We draw attention to note 38 of the consolidated financial statements whereby 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 and preceding periods. As advised, the Holding Company is adequately capitalised, has gone live on interoperability, operations are functioning and gross revenue are expected to increase in future years and accordingly the Holding Company continues to prepare its Financial Statements on going concern basis. However, the business volumes are not sufficient and there is no clarity on increasing revenue & making profits in future and the Holding Company could not achieve its projected revenues so far. The management has also considered the GST Credit available amounting to Rs. 4,328 Lakh and MAT Credit Entitlement amounting to Rs.186 Lakh, in the books of Holding Company, as recoverable treating the Holding company as going concern. Considering the uncertainty, we are unable to comment on the preparation of Consolidated Financial Statements on going concern basis and not making provisions / impairment for GST Receivable of Rs.4,328 lakh and MAT Credit entitlement of Rs.186 lakh and the adjustments, if any, that will be arising out of the same.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of the financial statements referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. Emphasis of matter

- a. We draw attention to Note 62 of the consolidated financial statements, which describes the extent to which the Covid-19 pandemic will impact the Company's standalone financial statement will depend on the upcoming developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

4. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

a. Identification of Onerous Contract

As per Ind AS 37 “Provision, contingent liabilities and contingent assets”, an onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Holding Company has an unavoidable long-term contract with one of the service providers which constitutes approx. 57% of the Technology Cost of Holding Company (refer note 31) for the year ended March 31, 2021.

Auditor’s Response: Our procedure in relation to identification of onerous contract included, review of material contract with service providers, assessing the related cost and economic benefits expected to be received/are received and critically assessing the management’s estimates with regard to plan for utilization of such costs. Based on above audit procedures the said contract has not been treated as onerous contract as on March 31, 2021.

b. Carrying value of Intangible Assets

The Holding Company has carried out impairment testing, during 2020-21, of intangible assets to ascertain its carrying value majorly consisting of computer software based on current and future expected activity and usage from software deployed for various trading segments and accordingly concluded on no further provision towards same for the year ended March 31, 2021.

Auditor’s Response: We have examined the balance useful life, amortization charges and the impairment testing so performed by the management including assumption made while accessing the expected discounted inflow from various services rendered by the Holding Company. Based on above, we assessed the impairment testing carried out by the Management.

5. Information Other than the Consolidated Financial Statements and Auditor’s Report thereon

The Holding Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in Holding Company’s Annual report but does not include the consolidated financial statements and our auditor’s report thereon. The other information is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company’s Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs and consolidated loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each company and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the preparation of the consolidated financial statements by the Management and Directors

of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, Management and respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Management and Board of Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those respective Board of Directors included in the Group are also responsible for overseeing the financial reporting process of each company.

7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are companies incorporated in India, if any, has internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Other Matters

- a. We did not audit the financial statements of a subsidiary; whose financial statements include total asset of Rs.28,658.12 lakhs, total revenues of Rs.2,193.24 lakhs, net profit/(loss) after tax of Rs.43.25 lakhs, total comprehensive income of Rs.42.56 lakhs and net cash outflow of Rs.27.34 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements. The aforesaid financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of the sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our above opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

9. Report on Other Legal and Regulatory Requirements

- a. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on Separate financial statements and other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - i. We/the other auditors whose report we have relied upon, except for the matters described in the Basis for Qualified Opinion paragraph, have sought and obtained, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - ii. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors:
 - iii. The Consolidated Balance Sheet, Consolidated Statement of and Loss including the statement of other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - iv. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (India Accounting Standards) Rules, 2015, as amended.
 - v. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - vi. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2021, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - vii. The qualification relating to the maintenance of accounts and other matters connected herewith are as

stated in the Basis for Qualified Opinion paragraph above.

- viii. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in '**Annexure A**' which is based on the auditor's reports of the Holding Company and its subsidiary companies incorporated in India.
- ix. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, as amended, in our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of section 197 of the Act.
- x. 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, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'other matter' paragraph:
 - i. The Consolidated Financial Statements discloses the impact of pending litigations on the consolidated financial position of the Group (refer note 36).
 - ii. The Holding 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 consolidated financial statements including penalty and charges if any cannot be commented upon (refer note 36).
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For TR Chadha & Co LLP

Chartered Accountants

Firm's Registration No. 006711N/N500028

Pramod Tilwani

Partner

Membership No. 076650

UDIN: 21076650AAAACY5396

Place of Signature: Mumbai

Date: June 22, 2021.

Annexure A to the Auditor's Report

Report on the Internal Financial Controls with reference to consolidated financial statements, of Metropolitan Stock Exchange of India Limited ('Holding Company'), under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

Opinion

We have audited the internal financial controls with reference to consolidated financial statements of **Metropolitan Stock Exchange of India Limited** ('the Holding Company') and its subsidiary companies, which are companies incorporated in India, as of March 31, 2021, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial control with reference to consolidated financial statements criteria established by the respective Companies 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 (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The Management and Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. 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 respective 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 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial with reference to consolidated financial statements includes obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated 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 internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies incorporate in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

Company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 authorisations 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 with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to financial statements of a subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

For **T R Chadha & Co LLP**
Chartered Accountants
Firm's Registration No. 006711N/N500028

Pramod Tilwani
Partner
Membership No. 076650

UDIN: 21076650AAAACY5396
Place of Signature: Mumbai
Date: June 22, 2021.

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in Lakh)

Particulars	Note	As at	
		March 31, 2021	March 31, 2020
I ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	3	865	663
(b) Intangible assets	4	1,879	2,224
(c) Intangible assets under development	4	260	223
(d) Right to use assets		1,015	526
(e) Financial assets			
i. Investments	5	891	3,981
ii. Other financial assets	6	620	15,544
(f) Income tax assets (net)	7	372	379
(g) Deferred tax assets (net)	8	186	186
(h) Other non-current assets	9	4,601	4,222
2 Current Assets			
(a) Financial assets			
i. Investments	10	6,499	5,494
ii. Trade receivables	11	160	117
iii. Cash and cash equivalents	12	189	1,297
iv. Bank balance other than (iii) above	13	24,604	14,715
v. Other financial assets	14	5,363	206
(b) Income tax assets (net)	15	1,167	1,631
(c) Other current assets	16	486	411
Total Assets		49,157	51,820
II EQUITY AND LIABILITIES			
3 Equity			
(a) Equity Share capital	17	48,052	48,052
(b) Other equity	18	(18,877)	(15,807)
Total Equity		29,175	32,245
4 Non Controlling Interest		553	579
5 Core Settlement Guarantee Fund Liabilities	19	865	1,041
6 Non-Current Liabilities			
(a) Financial liabilities			
i. Lease rental liability	20	822	184
ii. Other financial liabilities	21	11,506	11,025
(b) Provisions	22	39	46
(c) Deferred Tax Liability	28	96	55
Total Non-Current Liabilities		12,463	11,310
7 Current Liabilities			
(a) Financial liabilities			
i. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises		1	2
b. Total outstanding dues to creditors other than micro enterprises and small enterprises	23	134	119
ii. Lease rental liability	25	249	418
ii. Other financial liabilities	24	4,865	5,419
(b) Other current liabilities	26	834	644
(c) Provisions	27	17	43
Total Equity and Liabilities		49,157	51,820

Significant Accounting Policies and Explanatory Information

2-65

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.076650

Dinesh Kumar Mehrotra
 Chairman & Public Interest Director
 DIN :00142711

Latika S. Kundu
 Managing Director & CEO
 DIN : 08561873

Mumbai
 Dated : June 22, 2021

Saket Bhansali
 Chief Financial Officer

Manisha Thakur
 Head Legal & Company Secretary
 ACS10855

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

Particulars	Note	For the Year 2020-21	For the Year 2019-20
I Income			
(a) Revenue from operations	29	1,063	1,029
(b) Other income	30	2,182	2,672
Total Revenue		3,245	3,701
2 Expenditure			
(a) Operating expenses	31	1,695	1,767
(b) Employee benefits expense	32	2,290	2,194
(c) Finance costs	33	83	159
(d) Advertisement and business promotion expenses	34	59	52
(e) Depreciation and amortisation expense	3 & 4	723	919
(f) Depreciation On Right to Use Assets		394	374
(g) Other expenses	35	1,068	1,255
Total Expenses		6,312	6,722
3 Loss before tax		(3,067)	(3,021)
4 Exceptional items	28	-	(1,480)
5 Loss before tax		(3,067)	(4,501)
6 Tax expense			
Less : Current tax		-	10
Less : Earlier year tax		(0)	8
Less : Deferred tax		41	58
7 Loss for the year		(3,108)	(4,577)
8 Non Controlling Interest		(26)	10
9 Other comprehensive income			
1) Items that will not reclassified to profit or (loss) (net of tax)		11	(29)
2) Income tax relating to item will not reclassified to profit or (loss)		0	4
Total other Comprehensive Income for the year, net of tax		11	(25)
Total Comprehensive Income for the year		(3,070)	(4,611)
10 Earnings per equity share of face value of Re.1 each			
Basic (in Rs.)		(0.06)	(0.10)
Diluted (in Rs.)		(0.06)	(0.10)

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

2-65

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

Particulars	For the year 2020-21		For the year 2019-20	
A. Cash flow from Operating Activities				
Net Profit / (Loss) before tax as per Statement of Profit and Loss	(3,107)		(4,578)	
Adjustments for				
Depreciation/Amortisation	723		919	
Depreciation On Right to Use Assets	394		374	
Impairment of Assets	-		1,480	
Net fair value gain/loss on financial assets measured at fair value through profit and loss	(31)		(28)	
Dividend Distribution Tax	-		(269)	
Dividend from investments	(0)		(68)	
Exchange Rate fluctuation	(1)		2	
Interest Income - Bank FD	(1,496)		(1,968)	
Interest Income - Corp. FD	(317)		(100)	
Interest on IT Refund	(67)		(173)	
Finance Costs	-		119	
Finance Costs - ROU Asset (net) & Write off Income	24		40	
Profit / Loss on sale of fixed asset (net)	(0)		-	
Fixed assets / CWIP written off / provided for	80		-	
Impairment loss on financial assets	39		-	
Profit on sale of investments (net)	(76)		(240)	
Remeasurement of employee benefit	11		(25)	
Depletion in value of investments	-	(716)	-	64
Operating profit/ (loss) before working capital changes		(3,824)		(4,514)
Adjustments for				
Decrease/ (increase) in trade receivable	(82)		15	
Decrease/ (increase) in financial & other assets	(388)		(290)	
Total Increase / (decrease) in Current and non current assets		(470)		(275)
Increase / (decrease) in trade payables	14		(827)	
Increase / (decrease) in financial & other liabilities	(17)		500	
Increase / (decrease) in provision	(33)		88	
Total Increase / (decrease) in Current and non current Liabilities		(36)		(239)
Cash generated from/(used in) operations		(4,329)		(5,029)
Less:(Taxes paid) / refund received		538		877
Net cash generated from/(used in) operating activities		(3,791)		(4,152)
B. Cash flow from investing activities				
Purchase of fixed assets (including capital work in progress and intangible assets)		(699)		(1,088)
Sale of fixed assets (net)		2		12
Purchase of current investments		(33,454)		(2,34,642)
Sale of current investments		36,817		2,33,504
Income from current investments				
Fixed deposit placed with banks		(28,163)		(55,543)
Corporate Deposits (net)		(1,278)		(3,981)
Contribution of exchange and interest/dividend/penalty transferred to Core SGF fund (credited to CSGF)				
Fixed deposit matured		28,022		68,658
Investment in subsidiary company				
Profit on sale of investments (net)		108		-
Dividend from investment		0		68
Interest received (net of accrued interest)		1,768		1,968
Net cash generated from/(used in) Investing Activities		3,123		8,956

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Lakh)

Particulars	For the year 2020-21		For the year 2019-20	
C. Cash flow from financing activities				
Finance cost		-		(119)
Lease Liability Payment		(438)		(420)
Receipt/(Distribution) from/to minority shareholders		-		(705)
Short term borrowings		-		(2,415)
Net Cash Generated from Financing Activities		(438)		(3,659)
Net Increase in Cash and Cash Equivalents		(1,107)		1,145
Cash and Cash Equivalents at Beginning of the Year (Refer note 12)		1,297		152
Cash and Cash Equivalents at End of the Year (Refer note 12)		189		1,297
Add : Fixed Deposits held for more than three months		24,604		14,715
Closing Cash and Bank Balance		24,793		16,011
Component of cash & bank balance				
In current account				
Owned		135		890
Earmarked		54		406
Cash on hand		0		0
Stamps in hand		0		1
		189		1,297

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

- 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.
- 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.076650

Mumbai
Dated : June 22, 2021

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

Dinesh Kumar Mehrotra
Chairman & Public Interest Director
DIN :00142711

Saket Bhansali
Chief Financial Officer

Latika S. Kundu
Managing Director & CEO
DIN : 08561873

Manisha Thakur
Head Legal & Company Secretary
ACS10855

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. Equity Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares at the beginning of the year	4,81,02,17,033	48,102	4,81,02,17,033	48,102
Add:-Shares issued during the year	-	-	-	-
Equity shares at the end of the year	4,81,02,17,033	48,102	4,81,02,17,033	48,102

B. Other Equity

(₹ in Lakh)

Particulars	Reserves & surplus			Other comprehensive Income	Divident Dist tax	Total
	Securities premium account	Retained earnings	Capital Reserve	Remeasurement of employees benefit		
As at 31 March 2019	39,531	(50,468)	0	(1)	-	(10,937)
Addition	-	-	-	(25)	(269)	(294)
Non Controlling Interest Reallocation	-	(10)	-	-	11	1
Profit for the year-	(4,577)	-	-	-	(4,577)	
As at 31 March 2020	39,531	(55,055)	0	(25)	(258)	(15,807)
Addition	-	-	-	11	-	11
Non controlling Interest Reallocation	-	26	-	-	-	26
Profit for the year-	(3,108)	-	-	-	(3,108)	
As at 31 March 2021	39,531	(58,136)	0	(14)	(258)	(18,876)

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

2-65

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.076650

Mumbai
Dated : June 22, 2021

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SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

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 provides platform for trading in Currency Derivatives, Debt Segment, Interest Rate Futures, Equity Cash and F&O segment.

The Consolidated financial statement relates to parents and its subsidiary companies namely Metropolitan Clearing Corporation of India Ltd (MCCIL) and MCX-SX KYC Registration Agency Limited (MCX-SX KYC) (collectively referred to as 'the Group' or 'Company')

The Consolidated Financial Statements were authorized for issue by the Parent Company's Board of Directors on May 7, 2019.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated 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 Consolidated financial statements have been prepared and presented under the historical-cost convention on accrual basis, except as disclosed in the accounting policies below. The Group has prepared these financials to comply in all material respect with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, as amended, relevant provisions of the Companies Act 2013 including rules made thereunder, various regulatory guidelines to the extent relevant and applicable to the Group and in accordance with the generally accepted accounting principles in India. The accounting policies adopted in the preparation of the financial statements are consistent.

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

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

Basis of Consolidation

The Company consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Parent 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. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent 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 Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

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 Parent 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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests are disclosed separately. 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.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the

transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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 ceases 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, 2021	% of Voting Power As at March 31, 2021
Subsidiary Company - Direct			
Metropolitan Clearing Corporation India Limited	India	95.85	95.85
MCX-SX KYC Registration Agency Limited	India	100	100

2.2 Operating Cycle

The Group 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 treated as 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 Group has identified twelve months as its operating cycle.

2.3 Foreign currency translation and transactions

i) Functional and presentation currency

Items included in the Consolidated Financial Statements of the Group 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 Group 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.

2.4 Revenue recognition

Revenue from contract with customers is recognised in the Statement of Profit and Loss through following steps:

- i) identification of the contract or contracts with the customers
- ii) identification of the performance obligations in the contracts,
- iii) determination of the transaction price
- iv) allocation of the transaction price to the performance obligations in the contract
- v) recognition of revenue when company satisfy a performance obligation.

Revenue mainly comprises :

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.

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).

The Group adopted Ind AS 115 "Revenue from Contracts with customers" w.e.f. 01 April 2018, using the Modified Retrospective transition approach which is applied to contracts that were not completed as of 01 April 2018.

The disclosure of significant accounting reporting requirements relating to revenue from contracts with customers are provided in Notes 49.

2.5 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 Group 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.

2.6 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.

2.7 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.

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	5-8
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 Group 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.

2.8 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.

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.

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.

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 Judgment

As per Ind AS the accounting policy should also disclose the significant estimates and critical judgment 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 judgments, 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 judgments 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 financial 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 judgments 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 judgment 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 judgment 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 Leases

The Company's lease asset primarily consists of leases for buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense.

The right-of-use assets initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it exercises an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet, and lease payments have been classified as financing cash flows.

2.18 Core Settlement Guarantee Funds

As per SEBI regulation every recognized clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognized stock exchange. The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognized Stock Exchange to guarantee the settlement of trades executed in the respective segment of the Stock Exchange. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Metropolitan Clearing Corporation of India Limited (MCCIL), Stock Exchanges and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments is credited to the respective contributor's funds and adjusted towards incremental requirement of Minimum Required Corpus (MRC) as per SEBI. Penalties and fines levied by the Company are transferred to Core SGF as Other Contributions.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021. (RUPEES IN LAKHS, EXCEPT SHARE AND PER SHARE DATA, UNLESS OTHERWISE STATED)

3 Property, Plant and Equipment

(₹ in Lakh)

Particulars	Office Equipment's	Computer Hardware	Furniture & Fixtures	Vehicles	Leasehold Improvements	Right of use assets	Total
Gross Carrying amount as at 31.03.2019	189	3,844	51	26	166	-	4,276
Addition	2	438	-	-	-	1,228	1,668
Disposals/Write off	34	521	5	15	-	302	877
Gross Carrying amount as at 31.03.2020	156	3,761	46	11	166	926	5,066
Addition	50	156	-	-	196	1,239	1,640
Disposals/Write off	60	306	4	-	165	909	1,445
Gross Carrying amount as at 31.03.2021	145	3,611	42	11	196	1,256	5,261
							-
Accumulated Depreciation as at 31.03.2019	164	3,491	31	12	135	-	3,834
Depreciation charges during the year	9	180	5	2	13	525	733
Disposals/Write off	35	521	5	3	-	125	689
Accumulated Depreciation as at 31.03.2020	138	3,150	31	11	148	400	3,877
Depreciation charges during the year	9	159	4	1	22	394	590
Disposals/Write off	59	306	3	-	165	553	1,087
Accumulated Depreciation as at 31.03.2021	87	3,004	33	11	5	241	3,380
							-
Net Carrying amount as at 31.03.2021	58	607	9	(0)	191	1,015	1,880
Net Carrying amount as at 31.03.2020	18	611	15	0	18	526	1,189

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021.
 (RUPEES IN LAKHS, EXCEPT SHARE AND PER SHARE DATA, UNLESS OTHERWISE STATED)**
4 Intangible Assets and Intangible Assets under development

Particulars	Computer Software**	Intangible asset under development	Total
Gross Carrying amount as at 31.03.2019	11,098	154	11,252
Addition	578	485	1,063
Disposals/write off	1,032	416	1,449
Gross Carrying amount as at 31.03.2020	10,644	223	10,866
Addition	183	336	519
Disposals/write off	6	300	306
Gross Carrying amount as at 31.03.2021	10,821	260	11,079
Accumulated Depreciation as at 31.03.2019	7,261	-	7,261
Depreciation charges during the year	712	-	712
Disposals/write off	1,032	-	1,032
Impairment	1,480	-	1,480
Accumulated Depreciation as at 31.03.2020	8,420	-	8,421
Depreciation charges during the year	528	-	528
Disposals/write off	6	-	6
Impairment	-	-	-
Accumulated Depreciation as at 31.03.2021	8,942	-	8,943
Net Carrying amount as at 31.03.2021	1,879	260	2,136
Net Carrying amount as at 31.03.2020	2,224	223	2,445

(Other than internally generated)

** In certain cases the company has only usage right and not the title or ownership, net carrying amount of Rs. 921 Lakhs (PY 919 lakh)

5 Non Current Investment

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Other Investments				
Corporate Fixed Deposits				
HDFC Ltd	-		1,501	
LIC Housing Finance Limited	-		1,000	
Mahindra & Mahindra Finance Limited	891		500	
Bajaj Finance Ltd	-	891	980	3,981
Total		892		3,981
Aggregate book value of quoted investments				
Aggregate market value of quoted investments				
Aggregate carrying value of un-quoted investments		892		3,981
Aggregate amount of impairment in value of investments				

6 Other Financial Assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Non Current Bank Balance				
Deposit with banks (with Maturity more than 12 months)		396		12,003
Earmarked		-		-
Towards members deposit		-		3,129
Towards investor service fund		40		129
Towards defaulter committee fund		-		23
Others				
Sundry deposits		185		260
Total		620		15,544

7 Income Tax Assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Advance income tax (net)		372		379
Total		372		379

8 Deferred Tax Assets (Net)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
MAT credit entitlements*		186		186
Total		186		186

* The management expects the company to pay normal tax and benefit associated with MAT credit will flow to the company within permissible time limit stipulated under income tax act, 1961 to the extent MAT asset recognised.

9 Other Non-Current Assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good)				
Tax recoverable, statutory deposits and dues from government		4,586		4,211
Prepaid expenses		15		11
Total		4,601		4,222

10 Current Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Units	Rupees	Units	Rupees
In Mutual Funds (Quoted) *				
Investments in mutual funds at FVTPL				
ABSL MMF - G-D	-	-	1,05,964.940	287
ABSL Liquid Fund - G-D	30,190.442	100	1,91,731.372	613
ABSL Overnight Fund - G-D	826.876	9	103.072	1
HDFC MM Fund –D – G	-	-	4,741.094	200
HDFC Liquid Fund - Dir - Growth	-	-	11,786.909	460
HDFC Overnight Fund - D-G	-	-	11.608	0
HDFC Overnight Fund - R-G	-	108	-	-
Nippon India OVERNIGHT FUND – D-G	-	-	136.397	0
Nippon India Liquid Fund - DGP - G OPTION	1,491.692	75	4,126.136	200
Nippon India MM Fund – D.G. Plan	-	-	10,682.731	326
ICICI Prudential Liquid Fund D-G	-	-	1,64,745.463	484
ICICI Prudential Overnight Fund D-G	-	75	-	-
Kotak Liquid Fund - D-G	-	-	13,172.923	529
Axis Overnight Fund - R-G	-	103	-	-
Axis Liquid Fund D-G	-	-	35,431.315	781
Invesco India Liquid Fund - Growth	2,516.743	71	-	-
Aditya Birla Sun Life Liquid Fund - Dir - Growth	3,834.120	13	3,834.121	12
Axis Liquid Fund - Direct Plan - Daily Dividend	-	-	11.306	0
Axis Liquid Fund - Direct Growth	-	-	746.291	16
BOI AXA Liquid Fund - Direct Plan - Growth	6,291.569	149	1,547.385	35
BOI AXA Liquid Fund- Dir- Overnight	25,849.125	269	19,086.302	192
SBI Premier Liquid Fund- Dir- Overnight	3,254.337	109	1,457.365	47
Sundaram Money Fund - Direct Plan - Daily Dividend	-	-	62,47,568.64	631
Sundaram Money Fund - Direct Plan - Growth	1,31,075.263	57	43,724.36	18
Sundaram Money Fund- Direct- Overnight	59,599.543	652	38,814.201	412
ICICI Prudential Liquid -Direct Plan - Daily Dividend	-	-	34,400.088	34
Mirae Asset Cash Management Fund - Direct Plan - Growth	13,903.851	302	9,784.650	205
Mirae Liquid Fund- Dir- Overnight	3,738.308	39	687.542	7
Total		2,131		5,494
	Rupees	Rupees	Rupees	Rupees
Other Investments				
Corporate Fixed Deposits **				
HDFC Ltd	1,398	-	-	-
LIC Housing Finance Limited	1,500	-	-	-
Mahindra & Mahindra Finance Limited	100	-	-	-
ICICI Home Finance	220	-	-	-
Bajaj Finance Ltd	1,150	4,368	-	-
		6,499		5,494
Aggregate book value of quoted investments				
Aggregate market value of quoted investments		6,499		5,494
Aggregate carrying value of un-quoted investments				
Aggregate amount of impairment in value of investments				
* Rs. 70.33 Lakh (PY Rs. 11.91 Lakh/-) are towards making payments of the deposits of members.				
** Rs. 367 Lakh (PY Rs. Nil) are towards making payments of the deposits of members.				

11 Trade Receivables

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Current				
Unsecured, considered good	-	137	-	101
Receivables which have significant increase in credit risk	-	23	-	16
Credit impaired	97	-	58	-
Less :- Allowance for credit impaired debts (expected credit loss allowance)	97	-	58	-
Total		160		117

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, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Balance at the beginning of the year		97		58
Impairment loss allowance on trade receivables		(20)		39
Balance at the end of the year		77		97

12 Cash and Cash Equivalent

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Balance with banks				
- In current accounts				
Owned	135		119	
Earmarked				
Towards investor service fund	5		2	
Towards arbitration	15		15	
Towards defaulter committee fund	0		0	
Total		156		137
- Fixed Deposit with banks having maturity less than 3 months	-		-	
Owned	-		771	
Earmarked				
Towards members deposit	-		370	
Towards investor service fund	-		7	
Towards defaulter committee fund	33		12	
Stamps in hand	0		0	
Cash on hand	0		0	
Total		34		1,160
Total		189		1,297

13 Other Bank Balance

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Other Bank Balances in Fixed Deposits				
Owned		23,195		14,694
Earmarked		-		-
Towards Arbitration Deposits		10		-
Towards Investor Service Fund		44		21
Towards Defaulter Committee fund		32		-
Towards Members Deposit fund		1,323		-
Total		24,604		14,715

14 Other Financial Assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Loan to Metropolitan Stock Exchange ESOP Trust	11		11	
Less :- Provision for Doubtful Loan	11	-	11	-
Current Bank Balance				
Deposit with banks (with Original Maturity more than 12 months)		3,567		-
Earmarked				
Towards members deposit		1,306		-
Towards investor service fund		101		-
Towards defaulter committee fund		128		-
Interest accrued on Fixed Deposits		134		106
Owned	83		97	
Earmarked	51		10	
Interest Accrual on Corporate FD		117		100
Lease rental receivable		-		-
Unbilled receivable		3		0
Security Deposits		7		-
Total		5,363		206

15 Income Tax Assets (Net) - Current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Advance Income Tax (Net of Provision)		1,167		1,631
Total		1,167		1,631

16 Other Current Assets

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good, unless otherwise stated)				
Advances to vendors		269		248
Advances to employees		1		0
Capital advances		46		0
Prepaid expenses		171		162
Other advances	-	-	15	-
Less :- Provision for doubtful advance	-	-	15	1
Total		486		411

17 Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Authorised : 5,50,00,00,000 (PY 5,50,00,00,000) Equity Shares of Re.1/- each		55,005		55,005
Issued : 5,465,617,858 (PY 4,78,45,74,846) Equity Shares of Re.1/- each #		48,102		54,656
Subscribed and Paid-up 4,81,02,17,033 (PY 4,78,23,68,284) Equity Shares of Re.1/- each	48,102	-	48,102	-
Less :- Amount recoverable from Metropolitan Stock Exchange ESOP Trust (Refer Note 18.6) 49,77,671 [(PY 49,77,671) equity shares of Re 1/- each fully paid allotted to the Metropolitan Stock Exchange ESOP Trust]	50		50	
		48,052		48,052
Total		48,052		48,052

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, 2021		As at March 31, 2020	
	No. of Shares	Rupees	No. of Shares	Rupees
Equity shares				
At the beginning of the Year	4,81,02,17,033	48,102	4,81,02,17,033	48,102
Issued during the Year*		-		-
Outstanding at the end of the Year	4,81,02,17,033	48,102	4,81,02,17,033	48,102

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Re.1/- each fully paid-up Multi Commodity Exchange Of India Ltd	33,17,77,008	6.90%	33,17,77,008	6.90%

18 Other Equity

Particulars	Reserves & surplus			Other Comprehensive Income	Dividend Dist tax	Total
	Securities premium	Retained earnings	Capital Reserve	Remeasurement of employees benefit		
As at 31 March 2019	39,531	(50,468)	0	(1)	-	(10,937)
Addition	-	-	-	(25)	(269)	(294)
Non controlling Interest Reallocation	-	(10)		-	11	1
Profit for the year-	(4,577)	-	-	-	(4,577)	
As at 31 March 2020	39,531	(55,055)	0	(26)	(258)	(15,807)
Addition	-	-	-	11	-	11
Forfeited during the year	-	-	-	-	-	-
Non controlling Interest Reallocation	-	26		-	-	26
Profit for the year-	(3,108)	-	-	-	(3,108)	
As at 31 March 2021	39,531	(58,136)	0	(14)	(258)	(18,877)

18.1 Securities premium

Securities premium reflects issuance of the shares by the company at a premium i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a securities premium as per the provisions of the Companies Act, 2013. The premium is utilised in accordance with the provisions of the Companies Act, 2013.

18.2 Retained earnings

The same reflects surplus/deficit after taxes in the statement of profit and loss. The amount that can be distributed by the company as dividends to its equity share holders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

18.3 Capital Reserve

Capital Reserve represents the amount forfeited on 25,445 warrants against which Rs. 0.12 lakh has been collected.

18.4 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 Lakhs 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 49.78 Lakhs (Previous Year Rs. 49.78 Lakhs) has been deducted from share capital account and the balance part of the loan representing the amount of Rs. 10.08 Lakhs (Previous Year Rs. 10,08 Lakhs) has been added to short term loans and advances in note no.14. The balance of such loan as at March 31, 2021 is Rs. 60.00 Lakhs. 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.

19 Core Settlement Guarantee Fund

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Core Settlement Guarantee Fund				
As per Last Balance Sheet		1,041		1,041
Add : Contribution/ Interest Accrued during the year		-		-
Less : Transfer to ICCL		(75)		
Less : Transfer to NCL		(101)		
(Refer Note 52)				
Total		865		1,041

20 Provisions - Non Current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		822		184
Total		822		184

21 Other Financial Liabilities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards :				
- Deposits		4,179		4,308
- Other Liabilities		18		-
Core Settlement Guarantee Fund:				
-For clearing trades of MSE		2,444		2,113
-For clearing trades of ICEX		4,826		4,539
- Other Deposits		40		65
Total		11,506		11,026

22 Provisions - Non Current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Provision for gratuity		2		-
Provision for leave encashment		37		46
Total		39		46

23 Trade Payables

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Total outstanding dues of micro enterprises and small enterprises		1		2
Total outstanding dues to creditors other than micro enterprises and small enterprises		134		119
Total		135		121

24 Other Current Financial Liabilities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Deposits from members		4,105		3,940
Share application money refundable		0		0
Other payable		404		384
Members Margin and Deposits - Commodity Segment		356		1,095
Total		4,865		5,419

25 Lease rental liability - Current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		249		418
Total		249		418

26 Other Current Liabilities

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Unearned Income towards :				
Unearned income (Refer note 56)		36		33
Investor Service fund # [Including interest earned of Rs. 11 lakh (PY 10 lakh)		206		168
SEBI Regulatory Fees		12		11
TDS Payable		45		51
Other Liabilities including Statutory Liabilities		204		48
Other Payable as per the Scheme Of Capital Reduction		331		331
# 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. 206 lakh (PY 168 lakh) as at March, 31, 2021 represents the Listing Fees Contribution, net of expenses and interest earned thereon.				
Total		834		644

27 Provisions - Current

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Provision for gratuity		16		37
Provision for leave encashment		1		6
Total		17		43

28 Deferred Tax Liability

Particulars	As at March 31, 2021		As at March 31, 2020	
	Rupees	Rupees	Rupees	Rupees
Deferred Tax Credit / (Charge)		55		1
Charge / (Credit) for the year		41		54
Total		96		55

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021.
 (RUPEES IN LAKHS, EXCEPT SHARE AND PER SHARE DATA, UNLESS OTHERWISE STATED)**
29 Revenue From Operations

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Revenue from operations				
Sale of services		-		
Transaction fees		158		68
Clearing and settlement fees		448		413
Other operating revenue		-		
Processing fees		56		27
Listing fees		174		172
Income related to commodity segment		26		86
Other connectivity charges		80		98
Data feed charges		45		45
Examination fees		-		12
Membership surrender fee		68		94
Other revenue from operations		9		14
Total		1,063		1,029

30 Other Income

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Interest on bank deposits		1,496		1,968
Interest on Corporate Deposits		317		100
Dividend from non trade current investments		0		68
Interest income others		67		216
Profit on sale of current investments (Net)		76		240
Fair valuation of mutual fund		32		41
Exchange Rate Fluctuation (net)		1		-
Profit on sale of assets		1		-
Miscellaneous income		191		39
Total		2,182		2,672

31 Operating Expenses

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Clearing and Settlement Charges		52		18
Technology cost		1,398		1,435
SEBI regulatory charges		24		27
Internet connectivity charges		1		1
Direct communication expenses		43		41
POP / NPN Charges		69		87
Co-Location charges		54		90
Electricity Expenses- Direct		54		68
Total		1,695		1,767

32 Employee Benefits Expense

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Salaries, allowances and bonus		2,168		2,028
Contribution to provident fund and other funds		113		107
Staff welfare and other amenities		8		59
Total		2,290		2,194

33 Finance Costs

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Interest expenses		-		119
Finance cost - Right to use Asset-Ind AS		83		40
Total		83		159

34 Advertisement and business promotion expenses

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Advertisement		4		7
Business promotion expenses		54		30
Sponsorships and seminar		1		14
Total		59		52

35 Other Expenses

Particulars	2020-21		2019-20	
	Rupees	Rupees	Rupees	Rupees
Rent		75		184
Repairs and maintenance - others		171		92
Insurance		55		53
Travelling and conveyance		10		37
Communication expenses		9		13
Legal and professional charges		105		233
Electricity expenses		31		41
Membership and subscription fees		7		25
Directors sitting fees		103		75
Payment to Auditors :				
- Audit fees (Incl. tax audit, ICFR report)	22		22	
- Other matters (Certification)	10		12	
- Reimbursement	0	32	1	34
Loss on Sale of Fixed Asset (net)		1		-
Provision towards CWIP		80		-
Exchange rate fluctuation (net)		-		2
ROC fees		0		0
Expected credit loss		34		39
Bank charges		1		1
Rates & taxes including stamp duty		5		8
Printing & stationery		5		17
Contribution to investor service fund		28		35
CENVAT credit written off		27		22
Fair valuation of deposit		1		13
Operating expenses - commodity segment		25		85
Corporate Social Responsibility Expenses		-		6
Miscellaneous expenses		264		242
Total		1,068		1,255

36 Contingent Liability
(i) Claim against the Group not acknowledged as debts :

- a. IL&FS Financial Service Limited (IFIN) a 100% subsidiary of Infrastructure Leasing and Financial Services Limited (IL&FS) has filed a suit before the Bombay High Court against MSE (Suit No. 295 of 2014), along with a Notice of motion for interim relief for breach of the Share Purchase Agreement dated August 20, 2009 entered into between IFIN (Plaintiff), MSE (Defendant No.1) and MCX (Defendant No.2) for purchase of shares of MSE by IFIN from MCX. Various reliefs have been sought by IFIN from MCX and MSE (on a joint and several basis), including monetary claim of INR 84.21 crore along with interest. Pleadings are completed and have been recorded by the Prothonotary.

The Notice of Motion no. 530/2014 in Suit no.: 295/2014 was heard on June 11, 2019 and the Hon'ble Bombay High Court through its order dated June 12, 2019 ordered that MSE and MCX, shall be restrained either directly or indirectly from issuing any further shares of MSE in any manner whatsoever without seeking the plaintiff's prior written consent in accordance with and/or in terms of Clause 5.5(a) of the SPA dated August 20, 2009. However, it was clarified by the Court that if IFIN unreasonably withholds its consent then MSE shall be at liberty to approach the court for appropriate orders. MSE has filed an Appeal to the said order dated June 12, 2019 which will be taken up for hearing in due course of time.

The suit remains pending and no date of hearing has been fixed yet.

- b. 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 and a refund of Rs. 683.05 Lakhs has been received on the 4th May 2019. 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.

- c. Claims not acknowledged as debt – Rs. 70 Lakh (PY Rs.18.29 Lakh)

(ii) Other money for which the Group 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.

37 Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs 49.80 Lakhs as on 31st March, 2021. (PY Rs. 290.11 Lakhs).

38 The auditor in their audit report on the consolidated financial result for the quarter and year ended March 31, 2021 expressed below qualification which is summarized along with the Group's comments on the same:

The holding company continues to prepare its Standalone Financial Result on going concern basis even though it has continued to incur significant losses during the current and preceding periods. As advised, the Company is adequately capitalised, it has gone live on interoperability, operations are functioning and gross revenue are expected to increase in future years and accordingly the company continues to prepare its Financial Result on going concern basis. However, the business volumes are not sufficient and there is no clarity on increasing revenue & making profits in future and the Company could not achieve its projected revenues so far. The management has also considered the GST Credit available amounting to Rs. 4,328 Lakh and MAT Credit Entitlement amounting to Rs.186 Lakh as recoverable treating the company as going concern. Considering the uncertainty, we are unable to comment on the preparation of accounts on going concern basis and not making provisions / impairment for the above and the adjustments, if any, that will be arising out of the same.

The Company is adequately capitalized, the regulatory net worth of the company as on March 31, 2021 stands at Rs.164.46 Crores as against minimum regulatory requirement of Rs. 100 Crore. Further, the Exchange has also gone live on regulatory requirement like interoperability and Exchange's operations are running smoothly & appropriately. It is pertinent to note that during the current FY 2020-21, the core transaction income of the Exchange increased on account of increased volumes. Apart from the above, the Exchange is taking various initiatives which will help in building further volumes and thereby revenue. Further, the Exchange has also adopted various cost reduction measures, which shall help the Exchange in availing the said Credit. Hence, over the period of time as MSE's business will enhance, this available CENVAT credit shall be utilized to offset government GST liabilities and shall act as cash savings for the organization. Accordingly the Company continues to prepare its Financial Statements on going concern basis. The management also believes for recovery of GST & MAT credit available to it in future years.

39 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. 5550 Lakhs 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 indulging 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(Now NLCAT) on August 05, 2014. The Hon'ble Supreme Court granted NSE interim stay on the recovery of the penalty amount of Rs. 5550 Lakhs (@ 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.

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. 85699 Lakhs. under Section 53N (1) of the Competition Act, 2002 before the COMPAT (now NCLAT). Vide order dated 12.02.18 passed by Hon'ble Supreme Court in Civil Appeal No.8974 of 2014 an interim stay of proceeding of damages had been passed. In the circumstances, 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.

The Exchange in consultation with Senior Counsel has continuously strategized to get the matter listed at Supreme Court on 14 occasions from middle of 2019 up to beginning of lockdown, however the matter was not taken up by Supreme Court. After lockdown commenced since March 2020, Supreme Court has been since continuously notifying up to as recently as April 2021 that only urgent matters (such as Death Penalty, Property demolition, Eviction, Anticipatory Bail, Election, Auction, etc.) and part heard matters would be heard through Video Conference, nevertheless, the Exchange is pursuing to get the matter heard, despite NSE's efforts to adjourn it. MSE will continue its efforts to get the matter heard.

40 Earnings per share ('EPS') (Amount in Rs. Except for number of Shares)

Particulars	Apr-20 to Mar-21	Apr-19 to Mar-20
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders	(3,108)	(4,577)
Weighted average number of equity shares outstanding during the year for basic EPS	4,81,02,17,033	4,81,02,17,033
Add-Shares Issued to ESOP Trust	49,77,671	49,77,671
Weighted average number of equity shares outstanding during the year for diluted EPS	4,81,51,94,704	4,81,51,94,704
Basic earnings per share of face value Re. 1 each	(0.06)	(0.10)
Diluted earnings per share of face value Re. 1 each	(0.06)	(0.10)

41 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:

Particulars	2020-21	2019-20
Employer's Contribution to Provident Fund	85	84

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, 2020 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, 2020.

I Changes in the present value of Projected Benefit Obligation representing reconciliation of opening and closing balances thereof are as follows: (Amount in Rs.)

Particulars	Gratuity	
	2020-21 (Funded)	2019-20 (Funded)
Defined Benefit Obligation at the beginning of the year	209	150
Current Service cost	33	24
Interest Cost	14	12
Liability transfer in	0	-
Liability transfer out	-	-
Actuarial (gain) / loss	(13)	27
Benefits paid	(36)	(3)
Defined Benefit obligation at the end of the year	208	209

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

Particulars	Gratuity	
	2020-21	2019-20
Fair Value of Plan Assets at the beginning of the year	172	130
Expected Return On Plan Assets	11	10
Contribution during the year	27	36
Transfer From Other Company	0	-
Transfer To Other Company	(0)	-
Benefit Paid From The Fund	(36)	(3)
Actuarial Gains/(Losses) On Plan Assets	(2)	(2)
Fair Value of Plan Assets at the end of the year	173	172

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

Particulars	Gratuity	
	2020-21	2019-20
Present value of Benefit Obligation at the end of the Project	(208)	(209)
Fair Value of Plan Asset at the end of the Period	173	172
Funded Status (Surplus / (Deficit))	(35)	(37)
Net Liability/(Asset) recognized in Balance Sheet	(35)	(37)

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

Particulars	Gratuity	
	2020-21 (Funded)	2019-20 (Funded)
Current service cost	33	24
Interest Cost	2	2
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Net expenses	36	25

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

Particulars	Gratuity	
	2020-21	2019-20
Actuarial (Gains) / Losses on obligation for the period	(13)	27
Return on plan assets, excluding interest income	2	2
Change in asset Ceiling	-	-
Net (income) / expense for the period recognized in OCI	(11)	29

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

Particulars	Fund		Employer	
	2020-21	2019-20	2020-21	2019-20
Projected benefits payable in Future Years from Date of reporting				
1st Following year	32	10	-	-
2nd Following year	11	11	-	-
3rd Following year	11	12	-	-
4th Following year	15	12	-	-
5th Following year	16	15	-	-
6th - 10th Following years	68	76	-	-
11th year and above	264	342	-	-

VII Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, 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	
	2020-21	2019-20
Projected benefit obligation on Current Assumption	224	173
Effect of +1% change in Rate of discounting	(18)	(16)
Effect of -1% change in Rate of discounting	21	19
Effect of +2% change in Rate of Salary Increase	36	30
Effect of -2% change in Rate of Salary Increase	(29)	(24)
Effect of +5% change in Rate of Employee Turnover	(4)	(0)
Effect of -5% change in Rate of Employee Turnover	4	(2)

These plans typically expose the Group 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.

42 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

Particulars	Trading Services		Clearing Services		Unallocable		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
REVENUE:								
External Revenue	585	524	479	504	-	-	1,063	1,029
Inter-segment Revenue	-	-	646	3	-	-	646	3
Total Revenue	585	524	1,124	507	-	-	1,709	1,032
SEGMENT RESULT :								
Loss Before Interest & Tax	(3,488)	(5,456)	(1,722)	(1,694)	108	349	(5,102)	(6,801)
Less : Interest Expense	-	-	-	-	(83)	(160)	(83)	(160)
Add : Interest Income	-	-	-	-	2,118	2,460	2,118	2,460
Loss After Interest	(3,488)	(5,456)	(1,722)	(1,694)	2,144	2,650	(3,067)	(4,501)
Less: Tax Expense	-	-	-	-	-	-	41	76
Less : Minority Interest	-	-	-	-	-	-	(26)	10
Total Other Comprehensive income							11	(25)
Loss for the Year	(3,488)	(5,456)	(1,722)	(1,694)	2,144	2,650	(3,070)	(4,612)
OTHER INFORMATION								
Segment Assets	16,254	13,487	13,462	12,279	19,440	26,054	49,157	51,820
Segment Liabilities	4,545	4,722	10,746	10,151	3,272	3,082	18,564	17,955
Segment Capital Expenditure	134	248	564	840			699	1,088
Depreciation / Amortisation	575	844	148	75			723	919

Secondary Segment

Since all the activities of the Group 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.

43 Ind AS 24 - Related party Disclosures

a) Names of related parties and nature of relationship:

(i) Key Management Personnel (KMP)

MSEI

- Ms. Latika S. Kundu (MD & CEO) w.e.f. March 12, 2020
- Mr. Saket Bhansali (CFO) w.e.f. August 21, 2020

- Ms. Manisha Thakur (Company Secretary) w.e.f May 13, 2020
- Mr. Kunal Sanghavi (CFO) up to April 13, 2020
- Mr. Yashwant Kakade (Company Secretary) up to January 20, 2020

MCCIL

- Mr. Balu Nair (MD & CEO) up to February 26, 2021
- Mr. Krishana Wagle (MD) w.e.f February 27, 2021
- Mr. Krishana Wagle (CFO) up to February 26, 2021
- Ms. Avni Patel (Company Secretary)

(ii) Others

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

b) Details of transactions with related parties

Nature of Transaction	MCX SX IPF CDS Trust (Others)#	Metropolitan Stock Exchange ESOP Trust (Others)
Trade Receivable	-	0
	1	0
Closing Balance of Loan to ESOP Trust	-	60
	-	60
Closing Balance -	0	
	-	0

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.

b) Transactions with KMP:

Nature of transactions	Amount (Lakh)
Salary & allowances*:	
Ms.Latika S. Kundu	75
	3
Mr. Saket Bhansali	37
	-
Ms. Manisha Thakur	34
	-
Mr. Kunal Sanghavi	15
	47
Mr. Yashwant Kakade	-
	9
Mr. Balu Nair	84
	65
Mr. Krishana Wagle	33
	27
Ms. Avni Patel	22
	20

Nature of transactions	Amount (Lakh)
Director Sitting Fees	
Mr. Dinesh K Mehrotra	12
	9
Mr. Ketan Shivji Vikamsey	2
	9
Mr. S V D Nageswara Rao	15
	11
Mr. Sudhir Kumar Bassi	5
	5
Ms. Trishna Guha	13
	10
Mr. Vijay Sardana	11
	7
Mr. Ajai Kumar	7
	-
Mr. Vijay Ranjan	13
	7
Mrs. Rita Menon	12
	8
Mr. Alok Mittal	12
	9

*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 italic represent previous year's amounts.
- (iv) The transactions with the related parties are disclosed only till the relation exists.

44 Details of dues to micro, small and medium enterprises

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Accordingly, Company on periodic basis collects the required information from the vendors as to whether they are covered under Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006). Based on the vendors identified as above the outstanding amounts payable to vendors covered under Micro, Small and Medium Enterprises Development Act 2006 are given below;

Particulars	2020 - 21	2019 - 20
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	Principal - Rs. 1,21,775/- Interest-Rs.Nil	Principal - Rs.1,62,386/- Interest-Rs.Nil
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	N.A.	N.A.
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	N.A.	N.A.
The amount of interest accrued and remaining unpaid at the end of accounting year; and	N.A.	N.A.
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	N.A.	N.A.

45 Operating lease

The Company's lease asset primarily consist of leases for office space having various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Company applies the 'short- term lease' recognition exemptions for these leases..

a) Carrying value of right of use assets and the movements thereof :

Particulars	For the year ended	
	2020 - 21	2019 - 20
Opening Gross Block	926	-
Addition	1,239	1,228
Deletion	909	302
Closing Gross Block	1,256	926
Opening Accumulated Depreciation	400	-
Addition	394	525
Deletion	553	125
Closing Accumulated Depreciation	241	400
Net Block	1,015	526

b) Carrying value of Lease Liability and the movements thereof :

Particulars	For the year ended	
	2020 - 21	2019 - 20
Opening Balance	871	444
Addition	1,216	1,268
Interest Cost accrued during the year	88	80
Lease liability payment	465	619
Deletion	638	302
Closing Balance	1,072	871
Current Lease Liability	249	418
Non Current Lease Liability	822	184

- c) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Rental expense recorded for short-term leases or cancellable in nature was Rs. 51 Lakhs (Previous Year 163 Lakhs).
- d) i) 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-21	31-Mar-20
Future minimum lease payments		
Not later than one year	402	530
Later than one year and not later than five years	923	188
Later than five years	-	-

- ii) Lease payments recognised in the statement of Profit & Loss is Rs. 466.75 Lakhs (Previous year Rs. 586.01 Lakhs).
- iii) Sub-lease payment received and recognised in the statement of Profit & Loss is Rs. 59.97 Lakhs (Previous Year Rs. 195.89 Lakhs).

46 Corporate Social Responsibility Expenses:

The subsidiary has achieved the Net Profit criteria as specified u/s. 135 of the Companies Act 2013.

Particulars	As at	
	31-Mar-21	31-Mar-20
Gross Amount Required To Be Spent By The Company During The Year	-	6
Amount Spent During The Year		
A. Construction/ Acquisition Of Any Asset		
B. On Purposes Other Than (A) Above	-	6
Total	-	6

47 Fair value Measurement

Financial Instruments by category

Particulars	31-03-2021			31-03-2020		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	-	-	-	-	-
Other Instruments	-	-	891	-	-	3,981
Mutual Funds	6,499	-	-	5,494	-	-
Trade receivables	-	-	160	-	-	117
Cash and Cash equivalents	-	-	189	-	-	1,297
Bank balances other than cash and cash	-	-	24,604	-	-	14,715
Deposits	-	-	620	-	-	15,544
Other financial assets	-	-	5,363	-	-	206
Total financial assets	6,499	-	31,827	5,494	-	35,859
Financial liabilities						
Trade payables	-	-	135	-	-	287
Other financial liabilities	-	-	16,372	-	-	16,278
Total financial liabilities	-	-	16,507	-	-	16,565

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 Lakh)

Particulars	As at	
	31st March, 2021	31st March, 2020
Financial assets		
At Fair value through profit & loss		
Level 1		
Mutual fund Investments	6,499	5,494
	6,499	5,494

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

48 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 (MCCIL) shall have a minimum net worth of Rs. 10,000 Lakhs and Rs. 10,000 lakhs respectively, at all times.

49 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, 2021 except in case of dispute (if any).

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, 2021 and March 31, 2020

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2021				
Liabilities				
Trade payables	134	134	-	134
Other financial liabilities	16,372	4,865	11,506	16,372
Assets				
Trade Receivables	160	160	-	160
Investment	6,499	6,499	-	6,499
Other Investments	891	-	891	891
Cash and Cash equivalents	189	189	-	189
Bank balances other than cash and cash equivalents	24,604	24,604	-	24,604
Deposits	620	-	620	620
Other financial assets	5,363	5,363	-	5,363
As at March 31, 2020				
Liabilities				
Trade payables	285	285	-	285
Other financial liabilities	16,278	5,252	11,025	16,278
Assets				
Trade Receivables	117	117	-	117
Investment	5,494	5,494	-	5,494
Other Investments	3,981	-	3,981	3,981
Cash and Cash equivalents	1,297	1,297	-	1,297
Bank balances other than cash and cash equivalents	14,715	14,715	-	14,715
Deposits	15,544	-	15,544	15,544
Other financial assets	206	206	-	206

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 its components. For example, the Company has 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.

Post implementation of interoperability requirements, all Exchanges are required to contribute such amounts to the Core SGF of the Clearing Corporations as may be determined in accordance with the methodology specified by SEBI. The contribution to the Settlement Guarantee Fund of each Clearing Corporation is based on the ratio of Turnover of each Exchange to the relevant Clearing Corporation. Subject to SEBI Regulations, the Exchanges can also withdraw their excess Core SGF contributions.

SEBI letter No. SEBI/HO/MRD1/ICC1/OW/P/2019/15096/1 dated September 14, 2020 renewed the recognition granted to the Stock Exchange for a period of one year commencing on the 16th day of September 2020 and ending on 15th day of September 2021.

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.

50 Taxes

a) Income Tax Expenses

The major components of income tax expenses for the year ended March 31, 2020

Profit or loss section

Particulars	2020-21	2019-20
Current tax expense	-	10
Current tax expense of earlier years	(0)	8
Deferred tax	41	58
Total income tax expense recognised in profit or loss	41	76

Other comprehensive income section

Particulars	2020-21	2019-20
Remeasurements of the defined benefit plans;	(0)	(4)
Total income tax expense recognised in Other comprehensive income	(0)	(4)

b) Reconciliation of effective tax rate

Particulars	2018-19	2019-20
a) Income before income tax	(3,067)	(4,501)
b) Enacted tax rate in India	26.000%	26.000%
c) Expected tax expenses (a*b)	-	10
d) Other than temporary differences		
Investment income	-	-
Expenses disallowed / (allowed)	-	-
Total	-	-
e) Temporary difference	11,864	11,312
Temporary difference on which deferred tax assets not recognised	(11,864)	(11,312)
Total	-	-
f) Net adjustments (d+e)	-	-
g) Current tax expense of earlier years	(0)	8
h) Tax expenses recognised in Profit or Loss (c+f+g)	41	76

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

51 Expenditure in foreign currency

Particulars	2020-21	2019-20
Travelling and Conveyance	0	0
Professional Charges	5	-
Repair, Maintenance & Sponsorship	83	26

52 Revenue from contract with customer

a The revenue from contracts with customers to the amounts disclosed as total revenue is as under

Particulars	2020-21	2019-20
Revenue from contract with customer	1,054	1,014
Revenue from other sources	9	14
Total	1,063	1,029

b The disaggregation of revenue from contracts with customers is as under :

i Geographical Location

Particulars	2020-21		2019-20	
	India	Foreign	India	Foreign
Total Revenue	1,041	23	1,006	23

ii At point in time / Over time

Particulars	2020-21			2019-20		
	At point in time	Over Time	Total	At point in time	Over Time	Total
Total Revenue	291	772	1,063	215	813	1,029

c The contract assets & liability from contract with customers are as under :

i Contract Assets

Particulars	2020-21	2019-20
Opening Balance of Contract Asset	16	3
Previous year - Contract Asset - reclassified to trade receivable on invoicing	16	3
Current year – Contract asset	71	16
Closing Balance of Contract Assets	71	16

ii Contract Liability

Particulars	2020-21	2019-20
Opening Balance of Contract Liability	33	36
Previous year - Contract Liability - Revenue recognized during the year	3	12
Current year – Contract Liability Carried forward	6	9
Closing Balance of Contract Liability	36	33

53 Core Settlement Guarantee Fund (Core SGF)

(A) For Segments other than Commodity Derivatives:

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 for Equity Cash Market (ECM), Equity Derivatives Segment (EDS), Currency Derivatives Segment (CDS) and Debt Market Segment (DMS). 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 - 31.03.2021

Segment	Contribution required from MCCIL (Minimum) (a) = 50%*d	Contribution required from the Exchanges (b) = 25%*d	Maximum contribution required from Clearing Members (c) = 25%	MRC (d) = (a) + (b) + (c)
CDS - (Under Interoperability)	2,083	1,041	1,041	4,165
ECM - (Under Interoperability)	1	0	0	1
EDS - (Under Interoperability)	0	0	0	0
DMS - (MSE Segment)	0	0	0	0
Total	2,083	1,042	1,042	4,167

Corpus of Core SGF as on March 31, 2021

Segment	Total Contribution to Core SGF				Penalties	Total Corpus
	MCCIL Cash (a)	MSE Cash (b)	Other Exchanges Cash (c)	Clearing Members Cash (d)	Cash (e)	Cash (f) = (a)+(b)+(c)+(d)+(e)
CDS - (Under Interoperability)	3,515	1,452	-	-	554	5,521
ECM - (Under Interoperability)	40	-	-	-	0	40
EDS - (Under Interoperability)	40	-	-	-	4	43
DMS - (MSE Segment)	40	-	-	-	-	40
Total	3,634	1,452	-	-	558	5,644
Total - CORE SGF CORPUS						5,644

Note:

- Contribution made by the MCCIL to the Core SGF Corpus is funded through its Equity.
- 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 Segment and Debt Market Segment as the minimum corpus of Core SGF with effect from February 2, 2015.
- Corpus of Core SGF includes contribution made by the contributors, penalties levied and income earned on the corpus.
- As decided in the Risk Management Committee in their meeting held on December 20, 2019, the requirement from the Exchanges in the Equity Cash Market (ECM) Segment will be recovered from the Exchanges once the individual requirement from each Exchange reaches INR 1 Lakh.

(B) For Commodity Segment:

Securities & Exchange Board of India (SEBI) had issued norms related to Core SGF and standardized stress testing for credit risk for commodity derivatives vide circular SEBI/ HO/ CDMRD/ DRMP/ CIR/ P/ 2018/ 111 dated July 11, 2018. 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 - 31.03.2021

Segment	Contribution required from MCCIL (Minimum) (a) = 50%*d	Contribution required from ICEX (Minimum) (b) = 25%*d	Contribution required from Clearing Members (Minimum) (c) = 25%	MRC (d) = (a) + (b) + (c)
Commodity Derivative Segment	500	250	250	1,000
Total	500	250	250	1,000

Corpus of Core SGF as on March 31, 2021

Segment	Total Contribution to Core SGF			Penalties	Total Corpus
	MCCIL Cash (a)	ICEX Cash (b)	Clearing Members Cash (c)	Cash (d)	(e) = (a)+(b)+(c)+(d)
Commodity Derivative Segment	590	4,176	-	59	4,826
Total	590	4,176	-	59	4,826

Note:

Corpus of Core SGF for commodity segment includes contribution made by the contributors, penalties levied and income earned on the corpus.

Clearing Member contribution have not been sought in view of the adequacy of Core SGF Corpus after taking into consideration the contributions (including the interest income) made by the MCCIL and the ICEX.

For Segments other than Commodity Derivatives:

The total value of liquid assets (cash and non-cash) maintained by the Clearing Members for Segments other than Commodity Derivatives with MCCIL in addition to their Core SGF Contribution as on March 31, 2021 amounts to INR 14,635.32 Lacs (previous year: INR 19,125.07 Lacs).

For Commodity Segment:

The total value of liquid assets (cash and non-cash) maintained by the Clearing Members for ICEX segment with MCCIL in addition to their Core SGF Contribution as on March 31, 2021 amounts to INR 826.75 Lacs (previous year: INR 3,547.96 Lacs).

54 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013
Year Ended March 31, 2021

Sr. No.	Name of the Entity in the Group	Net Asset i.e. Total assets minus total liabilities		Share in Profit		Share in Other Comprehensive Income (OCI)		Share in total Comprehensive Income	
		As % of Consolidated Net asset	Amount	As % of Consolidated Profit / Loss	Amount	As % of Consolidated OCI	Amount	As % of total comprehensive income	Amount
A	Parent								
	Metropolitan Stock Exchange of India Ltd.	42%	20,692	-103%	(2,430)	106%	12	-103%	(2,418)
B	Indian Subsidiaries								
i	Metropolitan Clearing Corporation of India Ltd.	57%	27,910	2%	43	-6%	(1)	2%	43
ii	MCX-SX KYC Registration Agency Ltd.	0%	2	0%	(0)	0%	-	0%	(0)
iii	Non-controlling Interest in all Subsidiaries	1%	553	1%	26	0%	-	1%	26
	Total	100%	49,157	-100%	(2,361)	100%	11	-100%	(2,349)

Year Ended March 31, 2020

Sr. No.	Name of the Entity in the Group	Net Asset i.e. Total assets minus total liabilities		Share in Profit		Share in Other Comprehensive Income (OCI)		Share in total Comprehensive Income	
		As % of Consolidated Net asset	Amount	As % of Consolidated Profit / Loss	Amount	As % of Consolidated OCI	Amount	As % of total comprehensive income	Amount
A	Parent								
	Metropolitan Stock Exchange of India Ltd.	46%	23,781	-105%	(4,815)	-56%	(14)	-105%	(4,829)
B	Indian Subsidiaries								
i	Metropolitan Clearing Corporation of India Ltd.	53%	27,458	5%	239	-44%	(11)	5%	228
ii	MCX-SX KYC Registration Agency Ltd.	0%	2	0%	(0)	0%	-	0%	(0)
iii	Non-controlling Interest in all Subsidiaries	1%	579	0%	(10)	0%	-	0%	(10)
	Total	100%	51,820	-100%	(4,586)	-100%	(25)	-100%	(4,611)

55 SEBI in its order dated March 19, 2014 stated that 63 moons technologies limited (63 moons) (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 and entities through which 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 regarding divestment of their stake in the Company; in reply to these letters 63 moons informed us that they are in search of the suitable buyer to acquire their stake in the Company. Further, SEBI vide letter no. SEBI/MRD/DRMNP/2019/15963 dated June 25, 2019 advised the Company to freeze the voting rights and corporate benefits of 63 moons technologies limited.

56 Commencement of clearing & settlement of Mutual Fund Transaction:

MCCIL has entered into the agreement with Indian Commodity Exchange Limited (ICEX) on November 21, 2019 to provide clearing and settlement service of mutual fund transaction on ICEX Mutual Fund (MF) Platform. MCCIL has started the activities of clearing and settlement of mutual fund transaction on ICEX Mutual Fund (MF) Platform from December 27, 2019.

57 Warehousing and Vaulting are key elements in effecting physical deliveries taking place through the Clearing Corporation. To cater to the storage requirements of various Clearing Members and their respective constituents/ depositors who are willing to store goods and give delivery on the Clearing Corporation, MCCIL has made necessary arrangements with accredited Warehouse Service Providers and one Vault Service Provider.

58 Interoperability:

SEBI vide Circular: CIR/MRD/DRMNP/CIR/P/2018/145 dated November 27, 2018, introduced framework for interoperability among Clearing Corporations. This would allow market participants to consolidate their clearing and settlement functions at a single clearing corporation (CCP), irrespective of the stock Exchange on which the trade is executed. It is expected that the interoperability among CCPs would lead to efficient allocation of capital for the market participants, thereby saving on costs as well as provide better execution of trades.

MCCIL has successfully implemented the operationalization of interoperability as per prescribed guidelines and timelines by the SEBI.

59 Interoperability among Clearing Corporations (CC) was implemented w.e.f June 2019. After implementation of the same, members of the Exchange have the option to choose CC to clear their trades. Further, as per the requirement laid down vide SEBI circular dated August 27, 2014 for contribution by Exchange to core SGF of each CC through which its trades are cleared. The Exchange had contributed towards the same to the tune of Rs. 10.41 crores (excluding interest earned thereon) to MCCIL. Further, the Exchange has represented to SEBI for allowing the excess contribution made by the Exchange to MCCIL to be adjusted with the said contribution to other Clearing Corporations requirements, which SEBI has allowed to all the Exchanges vide its circular SEBI/HO/MRD2/DCAP/CIR/P/2021/03 dated January 8, 2021. As per the confirmation received from the MCCIL, MCCIL has transferred Rs 101.06 Lakhs to NCL and Rs. 75 Lakhs to ICCL as per the Core SGF requirement. Accordingly, MSE has complied with the core SGF requirement.

60 Disclosure of Loans given/ Investment made/ Guarantee / Securities given as per Section 186(4) as per Companies Act 2013:

As per Multi-Party Interoperability Agreement entered into on June 15, 2019 amongst Metropolitan Clearing Corporation of India Ltd (MCCIL), Metropolitan Stock Exchange of India Limited (MSE), NSE Clearing Limited (NCL), The National Stock Exchange of India Limited (NSE), Indian Clearing Corporation Limited (ICCL) & BSE Limited (BSE), for the purposes of settlement of Inter CC obligations, are be required to post collateral with each other. The various forms in which the margins can be exchanged between the Clearing Corporations are cash, securities, corporate bonds, government securities, bank guarantees, fixed deposit receipts and any other form as allowed by SEBI from time to time, or mutually agreed by the Clearing Corporations. Further, for this purpose, each Clearing Corporation will only post its own collateral with the other Clearing Corporation free from any lien, charge or any encumbrances whatsoever.

Accordingly, MCCIL had lien marked its fixed deposits amounting to INR 5.96 Crore in favour of NCL towards Inter CC Margin.

61 Office of Regional Director, (WR), Ministry of Corporate Affairs vide letter dated March 25, 2021 intimated commencement of inspection u/s 206(5) of the Companies Act, 2013. The holding company has submitted necessary documents.

62 Impact of Covid 19

The Company being Exchange is under Essential Service Sector and was exempted from closure vide SEBI notification dated March 24, 2020. The said exemption was also carried forward vide notification dated April 15, 2020 and May 03, 2020.

As determined by the management, for the financial year ended March 31, 2021, the impact of CoVID-19 pandemic on Company's financials and Operations remained insignificant. However, going forward the full extent to which the pandemic will impact the future financial results of the Company will depend on upcoming developments, which are highly uncertain. Management will continue to monitor any material changes to future economic conditions and the impact thereof on the Company, if any.

63 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.

64 In the opinion of the management the loans and advances are approximately of the value stated, if realized, paid in ordinary course of business. The provision for all known liabilities are adequate and are not in excess of amount considered reasonably necessary.

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

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.076650

Mumbai
 Dated : June 22, 2021

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

Dinesh Kumar Mehrotra
 Chairman & Public Interest Director
 DIN :00142711

Saket Bhansali
 Chief Financial Officer

Latika S. Kundu
 Managing Director & CEO
 DIN :08561873

Manisha Thakur
 Head Legal & Company Secretary
 ACS10855

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

(Rs. In Lakhs)

Sr. No	Name of the subsidiary	Date of Acquisition	Share Capital	Reserves & surplus	Total Assets	Total Liabilities	Investments (Current)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of share-holding
1.	Metropolitan Clearing Corporation of India Limited	November 07, 2008	12,537.10	1,464.03	28,658.12	14,656.99	1,590.24	1,480.93	84.06	(40.81)	43.25	NIL	95.85 %
2.	MSE Fintech Limited (formerly known as MCX-SX KYC Registration Agency Limited)	March 02, 2021	5.00	(3.02)	2.32	0.34	NIL	NIL	(0.37)	NIL	(0.37)	NIL	100%

- Name of subsidiary which are yet to commence operations: **MSE Fintech Limited (formerly known as MCX-SX KYC Registration Agency Ltd)**
- 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**

For and on behalf of the Board of Directors

Latika S. Kundu
Managing Director & CEO
DIN: 08561873

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Saket Bhansali
Chief Financial Officer

Manisha Thakur
Head – Legal and Company Secretary
ACS-10855

Date: November 12, 2021

Place: Mumbai

NEW INITIATIVES

MSE dedicated a week-long celebration for International Women’s Day March 7-12, 2020. Board Member Ms. Trishna Guha, our MD & CEO Ms. Latika S Kundu, and all women team leads participated and shared some inspiring thoughts on themes like investing in one’s health, roles & responsibilities of successful women, the stigma of professional environment and the many demands of one’s personal life, need and importance of managing personal finances and the journey of MSE’s success with the Currency Markets and their vision for the market’s future.



MSE presented MMRDA with 201 plants on behalf of MSE Corporate Social Responsibility in December 2020. MSE is committed to supporting MMRDA’s efforts in improving the city’s environment.



MSE IPF distributed COVID kits to the first few participants of the MSE IPF webinars in February 2021.



MSE and IIT Bombay partnered in an online trading competition event aiming at providing a live like test environment of Currency Derivatives Segment(CDS) of the Exchange, offering Future contracts across various currency pairs. Competition was held from December 22 - 24, 2020 with trading hours 11 am to 4 pm.

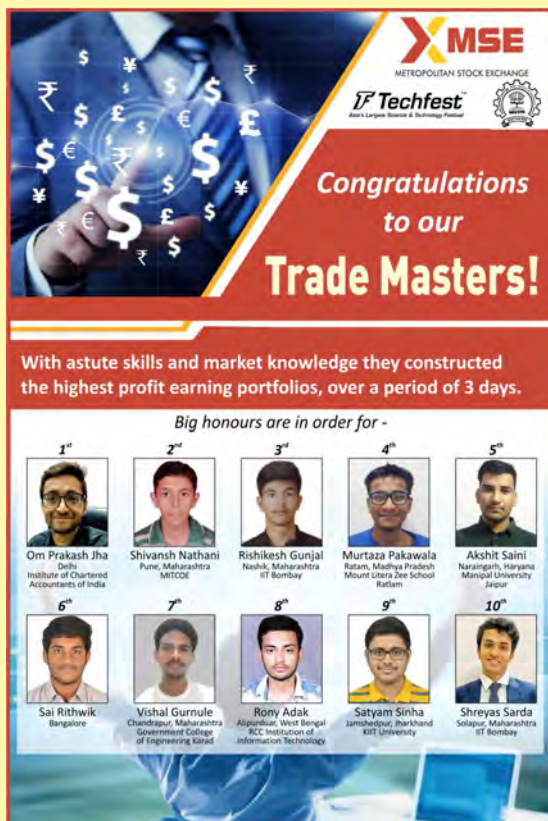
This event was a part of IIT Bombay’s Techfest - Asia's Largest Science and Technology Festival. Techfest was featured on various social media platforms LinkedIn, Facebook, Instagram and on our website too.

Detailed handbook explaining the concepts of Currency Derivatives trading, Hedging, Contract speciation’s, regulations etc. were provided. The handbook helped the students in gaining the necessary contextual related to derivatives.

Demos were arranged via Webinars explaining the systems used for trading including the process of logging in, setting up of portfolio, order entry, order cancellation, check net position etc.

Future contracts on four currency pairs of USD-INR, GBP-INR, EUR-INR, JPY-INR were made available for trading. Given below are the highlights of the competition

1. The trading platform was made available for all 3 days of the competition.
2. Participants were registered as a Dealer and user ids were allotted
3. Buy and sell positions were allowed to be taken within the market timings offered by the Exchange
4. Only own account orders were allowed and Specific turnover limits were assigned per participant











MSE
METROPOLITAN STOCK EXCHANGE

Techfest
Asia's Largest Science & Technology Festival

Congratulations to our Trade Masters!

With astute skills and market knowledge they constructed the highest profit earning portfolios, over a period of 3 days.

Big honours are in order for -

1st  Om Prakash Jha Delhi Institute of Chartered Accountants of India	2nd  Shivansh Nathani Pune, Maharashtra MITCOE	3rd  Rishikesh Gunjal Nashik, Maharashtra IIT Bombay	4th  Murtaza Pakawala Ratam, Madhya Pradesh Mount Litera Zee School Ratam	5th  Akshith Saini Naraingarh, Haryana Manjil University Jajpur
6th  Sai Ritwik Bangalore	7th  Vishal Gurnule Chandrapur, Maharashtra Government College of Engineering Karad	8th  Rony Adak Aliporebar, West Bengal IITC Institution of Information Technology	9th  Satyam Sinha Jamshedpur, Jharkhand KIT University	10th  Shreyas Sarda Solapur, Maharashtra IIT Bombay

5. Technical specifications and process of downloading the application were provided separately
6. First 10 students making the highest profit at the end of Day 3 were awarded with a special offer. They were awarded based on their ranking in the competition.

Prizes:-

The winners of the competition were entitled to enrol themselves as clients for trading on live trading platform of the Exchange. Top 10 winners could register themselves as client with Trading Members of the Exchange after submitting the necessary KYC and other required documents.



METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

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