

Metropolitan Stock Exchange of India Limited

Regd. Office: 4th Floor, Vibgyor Tower, Plot No - C62, G Block, Opp. Trident Hotel,
Bandra Kurla Complex, Bandra (East), Mumbai- 400098, INDIA | CIN: U65999MH2008PLC185856



Statement of Unaudited Consolidated Financial Results for the Quarter Ended June 30, 2019

(₹ in Lakh except per share data)

Consolidated				
Particulars	For the Quarter Ended			For the Year Ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	Audited	Unaudited	Audited
1 Revenue from operations	251	251	154	804
2 Other Income	872	709	657	2,716
3 Total	1,122	961	811	3,520
4 Expenses				
(a) Operating expenses	381	377	432	1,602
(b) Employee benefits expense	474	507	456	1,882
(c) Depreciation and amortisation expense	402	283	372	1,338
(d) Advertisement and business promotion expenses	15	14	48	194
(e) Administration and Other expenses	369	465	437	2,238
(f) Finance Costs	74	37	23	110
Total Expense	1,715	1,683	1,768	7,365
5 Profit/ (Loss) from before Exceptional items and tax	(592)	(723)	(957)	(3,845)
6 Exceptional items	-	-	-	-
7 Profit/ (Loss) from before tax	(592)	(723)	(957)	(3,845)
8 Tax expense				
1) Current Tax	85	65	80	203
2) Earlier Year Tax	8	-	-	8
3) Deferred Tax	12	(2)	2	3
Total Tax Expense	105	63	82	214
9 Profit/ (Loss) for the period/year	(697)	(785)	(1,040)	(4,059)
10 Other Comprehensive Income				
1) Items that will not reclassified to profit or loss (net of tax)	(1)	(24)	4	(10)
2) Income tax relating to item will not reclassified to profit or (loss)	-	1	-	1
Total other Comprehensive Income for the period/year , net of tax	(1)	(23)	4	(9)
11 Total Comprehensive Income for the period/year	(698)	(808)	(1,035)	(4,068)
12 Minority Interest in Income/(Loss)	11	8	9	28
13 Net Profit/ (Loss) after taxes and minority interest (11-12)	(709)	(817)	(1,044)	(4,097)
14 Paid-up Equity Share Capital (Equity Shares of Rs. 1/- each)	-	-	-	48,052
15 Reserves excluding revaluation reserves	-	-	-	(10,938)
16 Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)				
(a) Basic	(0.01)	(0.02)	(0.02)	(0.08)
(b) Diluted	(0.01)	(0.02)	(0.02)	(0.08)

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Unaudited Consolidated Segment Information for the Period Ended June 30, 2019

Primary Segment

Business segments being Trading & Clearing

(₹ in Lakh)

Particulars	Consolidated			
	For the Quarter Ended			For the Year Ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	Unaudited	Audited	Unaudited	Audited
I Segment Revenue				
(a) Trading Services	134	136	152	583
(b) Clearing Services	118	116	6	230
Total	252	252	158	813
Less : Inter Segment Revenue	1	1	4	9
Total Income	251	251	154	804
II Segment Results				
(a) Trading Services	(1,084)	(1,068)	(1,320)	(4,989)
(b) Clearing Services	(412)	(415)	(370)	(1,427)
Profit / (Loss) before Interest and Taxation	(1,496)	(1,483)	(1,690)	(6,416)
Less : Interest	74	37	23	110
Add : Unallocable Income	978	797	755	2,681
Profit / (Loss) before Taxation	(592)	(723)	(957)	(3,845)
Less : Tax Expense (Net)	105	63	82	214
Profit / (Loss) after Taxation	(697)	(785)	(1,040)	(4,059)
Less : Minority Interest	11	8	9	28
Other Comprehensive Income	1	23	(4)	10
Profit / (Loss) for the period/year	(709)	(817)	(1,044)	(4,097)
III Segment Assets				
(a) Trading Services	9,997	9,183	10,705	9,183
(b) Clearing Services	15,305	13,763	8,823	13,763
(c) Unallocated	35,994	36,583	36,805	36,583
Total Assets	61,297	59,530	56,333	59,530
IV Segment Liabilities				
(a) Trading Services	9,637	7,911	6,954	7,911
(b) Clearing Services	12,587	9,219	7,268	9,219
(c) Unallocated	2,654	2,958	2,476	2,958
Total Liabilities	24,877	20,089	16,698	20,089

Secondary Segment

Since all the activities of the company are predominantly conducted in India, there are no separate reportable geographical segments.

Notes on Segment Information for the quarter ended 30th June, 2019 :

In accordance with Ind AS-108 "Segment Reporting", the Group has two reportable segments, Trading Services and Clearing Services. Segments have been identified and reported taking into account nature of services, management structure and system of financial reporting. The accounting policies adopted for segment reporting are in line with the accounting policy of the group with following additional policies for segment reporting.

- Revenues and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenues and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable."
- Segment assets and segment liabilities represent assets and liabilities in respective segments.

Notes :

- 1 The above unaudited consolidated financial results of the Group for the quarter ended June 30, 2019, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on August 13, 2019 and the Statutory Auditors of the Company have carried out limited review of the aforesaid result.
- 2 The above consolidated financial results for the quarter ended June 30, 2019 are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34) 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 3 The paid-up equity share capital disclosed in above results is net of 49,77,671 equity shares of Re 1 each held by Metropolitan Stock Exchange Esop Trust.
- 4 The Company had adopted Ind AS 116 "Leases", effective from April 1, 2019, and applied the Standard on Leases. This has resulted in recognising a Right-of-Use asset and corresponding Lease Liability of Rs.1,268 Lakh as at April 1, 2019. The Impact on the profit / loss for the quarter is not material.
- 5 SEBI had issued norms related to the computation and contribution to the Core Settlement Guarantee Fund (Core SGF) as part of the SEBI circular CIR/CMD/DRMNP/25/2014 dated August 27, 2014. Based on said guidelines clearing corporation and stock exchange are required to contribute at least 50% and 25% of the minimum required corpus (MRC) of the core SGF whereas up to 25% of the core SGF contribution can be collected from clearing members.

(A) Core SGF- MSE Segment:

An amount of INR 41.65 crore is required to be maintained as the Minimum Required Corpus (MRC) of Core SGF in the Currency Derivatives Segment. As on June 30, 2019, an amount of INR 52.03 crore is maintained comprising of INR 23.35 crore contributed by the MCCIL, INR 10.41 crore contributed by Metropolitan Stock Exchange of India Limited (MSE), INR 4.26 crore as Penalties and INR 14.01 crore as Income earned / accrued on Core SGF Corpus.

(B) Core SGF-ICEX Segment:

An amount of INR 10 crore is required to be maintained as the Minimum Required Corpus (MRC) of Core SGF in the Commodity Derivatives Segment. As on June 30, 2019, an amount of INR 42.66 crore is maintained comprising of INR 5 crore contributed by the MCCIL, INR 35.34 crore contributed by ICEX and INR 0.03 crore as Penalties, INR 2.29 crore as Income earned/accrued on Core SGF Corpus.

- 6 The auditor in their review report on the consolidated financial statements for the quarter ended June 30, 2019 expressed below qualification which is summarised along with the Company's comments on the same:

The Consolidated Financial Statements are prepared on going concern basis even though there are significant losses during the current period and preceding periods, business volumes has reduced and there is no clarity on increase in revenue in future. As advised, the Company is working on a detailed plan for turn around and is confident of getting the required funds from its subsidiary company in the coming period, increase the volume and make profits in future years and hence prepared the accounts on going concern basis. In spite of continuous losses, the company has not done the detailed impairment testing to ascertain carrying value of fixed assets having net book value of Rs.4,479 Lakh. The management has also considered the GST Credit available amounting to Rs.4,119 Lakh and MAT Credit Entitlement amounting to Rs.186 Lakh as recoverable, basis the same. We are unable to comment on the non impairment and recoverability of the same and the adjustments, if any, that will be arising out of the same.

Pursuant to amendment of SECC Regulations, our subsidiary Metropolitan Clearing Corporation of India Ltd. (MCCIL) has initiated capital reduction amounting to Rs. 17,000 Lakh. The Board and Shareholders of MCCIL has already approved the capital reduction. Upon receipt of approval from NCLT, the capital reduction will be affected and MSE will receive proportionate (95.85%) refund of the capital reduced. The company during previous year had received SEBI approval for three products namely 1. Weekly options on USD-INR 2. Options on EUR-INR, GBP-INR, JPY-INR 3. Options and futures on Cross currency i.e. EUR-USD, GBP-USD, USD-JPY. Company foresees better business from same, hence prepared the accounts on going concern basis. In the opinion of the management, the carrying value of the Tangible and Intangible assets is higher than the recoverable value and due to the measures taken for reduction in cost, proposed capital reduction in MCCIL, etc. will enable future growth with higher visibility. Further, Exchange and MCCIL has successfully gone live on interoperability on 1 June 2019, we expect it to result into significant shift of market share from dominant stock exchanges to other stock exchanges. The above said measures will result into increased market share and accordingly no impairment testing is carried out with respect to tangible and intangible assets. As mentioned above, the Company expects improved revenue earnings in the future years and hence is of the view that the unutilized service tax credit and MAT Credit will be fully utilized in future years and the same is considered as good for recovery.

- 7 Previous quarter's figures has been re-grouped, re-arranged, re-classified and restated wherever necessary, to make them comparable with those of the current quarter's classification / disclosure.

For and on Behalf of Board of Directors

Metropolitan Stock Exchange of India Limited

Place : Mumbai

Dated : August 13, 2019

Chairman

CFO