

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 Standalone Financial Results for the Quarter Ended June 30, 2019

(₹ in Lakh except per share data)

Particulars	Standalone			
	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	134	136	152	583
2 Other Income	249	200	85	712
3 Total Income	383	336	237	1,295
4 Expenses				
(a) Operating expenses	228	209	295	965
(b) Employee benefits expense	390	420	389	1,572
(c) Depreciation and amortisation expense	352	281	372	1,334
(d) Advertisement and business promotion expenses	15	14	48	194
(e) Administration and Other expenses	293	358	369	1,855
(f) Finance Costs	74	37	23	110
Total Expense	1,353	1,319	1,495	6,030
5 Profit/ (Loss) from before Exceptional items and tax	(970)	(984)	(1,258)	(4,735)
6 Exceptional items (Refer note 5)	-	-	-	-
7 Profit/ (Loss) from before tax	(970)	(984)	(1,258)	(4,735)
8 Tax expense				
1) Current Tax	-	-	-	-
2) Earlier Year Tax	-	-	-	8
3) Deferred Tax	-	-	-	-
Total Tax Expense	-	-	-	8
9 Profit/ (Loss) for the period/Year	(970)	(984)	(1,258)	(4,743)
10 Other Comprehensive Income				
1) Items that will not reclassified to profit or loss (net of tax)	(1)	(21)	4	(8)
2) Income tax relating to item will not reclassified to profit or (loss)	-	-	-	-
Total other Comprehensive Income for the period/year, net of tax	(1)	(21)	4	(8)
11 Total Comprehensive Income for the period/Year	(971)	(1,005)	(1,253)	(4,751)
12 Paid-up Equity Share Capital (Equity Shares of Rs. 1/- each.)	48,052	48,052	47,774	48,052
13 Reserves excluding revaluation reserves	-	-	-	(12,341)
14 Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)				
(a) Basic	(0.02)	(0.02)	(0.03)	(0.10)
(b) Diluted	(0.02)	(0.02)	(0.03)	(0.10)

Notes :

- 1 The above unaudited standalone financial results of the Company 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 standalone 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 Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM, who is responsible for the allocating resources and assessing performance of the operating segments, has been identified as the Interim CEO of the company. The Company is engaged in only the Business of Stock Exchange and activities incidental thereto within India, hence does not have any reportable segments as per Indian Accounting Standard (Ind AS-108) - Operating Segments.
- 4 The paid-up equity share capital disclosed in above results is net of 49,77,671 equity shares of Rs 1 each held by Metropolitan Stock Exchange Esop Trust.
- 5 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 lease rental receivable and corresponding lease rental liability of Rs.1,268 Lakh as at April 1, 2019. The Impact on the profit / loss for the quarter is not material.
- 6 As per Securities Contracts (Stock Exchange and Clearing Corporations) Regulations 2018, a recognised stock exchange shall have a minimum net worth of Rs. 10,000 Lakh at all times. Vide letter dated September 14, 2018 SEBI has granted renewal to the exchange and asked to ensure the net worth of Rs. 10,000 Lakh within six months from the date of amendment of aforesaid regulations. As at June 30, 2019, the net worth of the exchange is Rs.6,429 Lakh (Net of investments in subsidiary Rs. 28,314 Lakh). The Exchange vide letter dated March 14, 2019 has requested SEBI for extension of time to comply with the above requirement by August 31, 2019. The Subsidiary of Exchange M/s Metropolitan Clearing Corporation of India Ltd. has initiated capital reduction process amounting to Rs. 17,000 Lakh which is pending with Hon'ble NCLT, Mumbai. MCCIL expect to receive requisite approval in due course which will result into the increase of Net Worth of the Exchange by approx. Rs. 16,280 Lakh and accordingly Exchange will able to comply with the net worth requirement mentioned aforesaid.
- 7 Company has availed the Overdraft Facility of Rs. 4,143 Lakh (Utilised as at 30 June, 2019 Rs. 2,857 Lakh) against the Fixed Deposit Receipts (FDR's) of its subsidiary Metropolitan Clearing Corporation of India Ltd.
- 8 The company has initiated process for selection of new MD and CEO, in previous quarter, inline with regulations of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. The same is still under progress.
- 9 The auditor in their review report on the standalone 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 company continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses during the current period, business volumes is further 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.4,138 Lakh. The management has also considered the GST Credit available amounting to Rs.3,950 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.
- 10 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