

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 and Nine Months Ended December 31, 2019

(₹ in Lakh except per share data)

Consolidated							
Sr. No.	Particulars	For the Quarter Ended			For the Nine Month Period Ended		For the Year Ended
		Dec 31,2019 (Unaudited)	Sept 30,2019 (Unaudited)	Dec 31,2018 (Unaudited)	Dec 31,2019 (Unaudited)	Dec 31,2018 (Unaudited)	March 31, 2019 (Audited)
1	Revenue from operations	247	254	247	752	553	804
2	Other Income	575	654	681	2,101	2,007	2,716
3	Total Income	821	908	927	2,852	2,560	3,520
4	Expenses						
	(a) Operating expenses	468	442	383	1,292	1,225	1,602
	(b) Employee benefits expense	587	502	479	1,562	1,375	1,882
	(c) Depreciation and amortisation expense	285	403	310	1,089	1,055	1,338
	(d) Advertisement and business promotion expenses	21	6	41	42	180	194
	(e) Administration & Other expenses	261	243	480	872	1,774	2,238
	(f) Finance Costs	25	77	26	176	73	110
	Total Expense	1,646	1,672	1,718	5,034	5,682	7,365
5	Profit/ (Loss) from before Exceptional items and tax	(825)	(764)	(791)	(2,182)	(3,122)	(3,845)
6	Exceptional items (Refer note 6)	-	(1,480)	-	(1,480)	-	-
7	Profit/ (Loss) from before tax	(825)	(2,244)	(791)	(3,661)	(3,122)	(3,845)
8	Tax expense						
	1) Current Tax	(55)	30	50	60	138	203
	2) Earlier Year Tax	-	-	-	8	-	8
	3) Deferred Tax	15	23	0	50	5	3
	Total Tax Expense	(40)	53	50	118	143	214
9	Profit/ (Loss) for the period/year	(786)	(2,297)	(841)	(3,779)	(3,265)	(4,058)
10	Other Comprehensive Income						
	1) Items that will not reclassified to profit or loss (net of tax)	1	4	4	4	13	(10)
	2) Income tax relating to item will not reclassified to profit or (loss)	-	-	-	-	-	1
	Total other Comprehensive Income for the period/year , net of tax	1	4	4	4	13	(10)
11	Total Comprehensive Income for the period/year	(784)	(2,293)	(836)	(3,776)	(3,252)	(4,068)
12	Minority Interest in Income/(Loss)	(2)	5	7	4	20	28
13	Net Profit/ (Loss) after taxes and minority interest (11-12)	(783)	(2,299)	(844)	(3,780)	(3,272)	(4,096)
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	(0.02)	(0.05)	(0.02)	(0.08)	(0.07)	(0.08)

Notes :

- 1 The above unaudited consolidated financial results of the Group for the quarter and nine months ended December 31, 2019, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on February 12, 2020 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 and nine months ended December 31, 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.
- 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. This has resulted in recognizing a Right-of-Use asset and corresponding Lease Liability of Rs. 1268 Lakhs as at April 1, 2019. The Impact on the profit / loss for the quarter is not material.
- 6 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 December 31, 2019, an amount of INR 53.94 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 15.92 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 December 31, 2019, an amount of INR 44.61 crore is maintained comprising of INR 5 crore contributed by the MCCIL, INR 35.34 crore contributed by ISEX and INR 0.39 crore as Penalties, INR 3.88 crore as Income earned/accrued on Core SGF Corpus.

- 7 The Holding company has carried out the Impairment testing in quarter ending September 30, 2019 and accordingly an amount of Rs. 1479 Lakh where carrying value was higher than the recoverable value has been impaired. The Assets getting impaired are intangible software's predominantly matching engine and related components for certain non revenue generating segments.
- 8 The auditor in their review report on the consolidated financial statements for the quarter and Nine months ended December 31, 2019 expressed below qualification which is summarized 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 and in preceding periods. Business volumes are not sufficient and there is no clarity on increasing revenue & profitability. The management has also considered the GST Credit available amounting to Rs. 4138 Lakh and MAT Credit Entitlement amounting to Rs.186 Lakh as recoverable, basis the same we are unable to comment on the recoverability of the same and not making provisions / impairment for the same 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 at 31st December 2019 stands at Rs. 195.95 Crores as against minimum regulatory requirement of Rs. 100 Crore. Further, it has gone live on interoperability, operations are functioning appropriately and gross revenue are expected to increase in future years and 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.

- 9 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
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Unaudited Consolidated Segment Information for the period ended December 31, 2019

Primary Segment Business segments being Trading & Clearing								(₹ in Lakh)
Sr. No.	Particulars	For the Quarter Ended			For the Nine Month Period Ended		For the Year Ended	
		Dec 31, 2019 (Unaudited)	Sept 30, 2019 (Unaudited)	Dec 31, 2018 (Unaudited)	Dec 31,2019 (Unaudited)	Dec 31,2018 (Unaudited)	Mar 31, 2019 (Audited)	
I	Segment Revenue							
	(a) Trading Services	126	125	144	384	448	583	
	(b) Clearing Services	121	131	178	370	114	230	
	Total	247	256	321	754	561	813	
	Less : Inter Segment Revenue	(0)	2	(1)	3	(9)	9	
	Total Income	247	254	322	752	570	804	
II	Segment Results							
	(a) Trading Services	(972)	(2,442)	(1,087)	(4,498)	(3,955)	(4,989)	
	(b) Clearing Services	(568)	(271)	(372)	(1,251)	(1,128)	(1,427)	
	Profit / (Loss) before Interest and Taxation	(1,540)	(2,713)	(1,459)	(5,749)	(5,083)	(6,416)	
	Less : Interest	25	77	26	176	73	110	
	Add : Unallocable Income	740	545	694	2,264	2,034	2,681	
	Profit / (Loss) before Taxation	(825)	(2,244)	(791)	(3,662)	(3,122)	(3,845)	
	Less : Tax Expense (Net)	(40)	53	50	118	143	214	
	Profit / (Loss) after Taxation	(786)	(2,297)	(840)	(3,780)	(3,265)	(4,059)	
	Less : Minority Interest	(2)	(6)	7	4	20	28	
	Other Comprehensive Income	(1)	4	(4)	4	(13)	10	
	Profit / (Loss) for the period/year	(785)	(2,288)	(851)	(3,780)	(3,298)	(4,096)	
III	Segment Assets (As at)							
	(a) Trading Services				12,309	10,031	9,184	
	(b) Clearing Services				11,727	12,033	13,763	
	(c) Unallocated				28,764	37,998	36,583	
	Total Assets				52,801	60,061	59,531	
IV	Segment Liabilities (As at)							
	(a) Trading Services				5,211	7,524	7,911	
	(b) Clearing Services				12,722	11,914	9,219	
	(c) Unallocated				1,795	9,470	2,958	
	Total Liabilities				19,728	28,908	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 31st December, 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.