

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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(₹ in Lakh except per share data)

Consolidated						
Sr. No.	Particulars	For the Quarter Ended			For the year ended	
		Mar 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)	Mar 31, 2019 (Audited)	Mar 31, 2020 (Audited)	Mar 31, 2019 (Audited)
1	Revenue from operations	277	247	251	1,029	804
2	Other Income	571	574	709	2,672	2,716
3	Total Income	848	821	961	3,701	3,520
4	Expenses					
	(a) Operating expenses	476	468	403	1,767	1,685
	(b) Employee benefits expense	632	587	507	2,194	1,882
	(c) Depreciation and amortisation expense	204	285	283	1,294	1,338
	(d) Advertisement and business promotion expenses	10	21	14	52	194
	(e) Administration and Other expenses	383	261	439	1,255	2,155
	(f) Finance Costs	(17)	25	37	159	111
	Total Expense	1,688	1,646	1,683	6,722	7,365
5	Profit/ (Loss) from before Exceptional items and tax	(840)	(825)	(723)	(3,021)	(3,845)
6	Exceptional items (Refer note 10)	-	-	-	(1,480)	-
7	Profit/ (Loss) from before tax	(840)	(825)	(723)	(4,501)	(3,845)
8	Tax expense					
	1) Current Tax	(50)	(55)	65	10	203
	2) Earlier Year Tax	-	-	-	8	8
	3) Deferred Tax	8	15	(2)	58	3
	Total Tax Expense	(42)	(40)	63	76	214
9	Profit/ (Loss) for the period/year	(798)	(785)	(785)	(4,577)	(4,059)
10	Other Comprehensive Income					
	1) Items that will not reclassified to profit or loss (net of tax)	(32)	1	(24)	(29)	(10)
	2) Income tax relating to item will not reclassified to profit or (loss)	4	-	1	4	1
	Total other Comprehensive Income for the period/year , net of tax	(28)	1	(23)	(25)	(9)
11	Total Comprehensive Income for the period/year	(826)	(784)	(808)	(4,602)	(4,068)
12	Non controlling interest in Income/(Loss)	(5)	(2)	8	10	28
13	Net Profit/ (Loss) after taxes and non controlling interest (11-12)	(821)	(782)	(817)	(4,612)	(4,096)
14	Paid-up Equity Share Capital (Equity Shares of Rs. 1/- each.)				48,052	48,052
15	Other equity				(15,807)	(10,938)
16	Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)					
	(a) Basic	(0.02)	(0.02)	(0.02)	(0.10)	(0.08)
	(b) Diluted	(0.02)	(0.02)	(0.02)	(0.10)	(0.08)

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CONSOLIDATED STATEMENT OF ASSET & LIABILITIES AS AT MARCH 31, 2020

(₹ in Lakh)

Sr. No.	Particulars	As at 31st March '20 (Audited)	As at 31st March '19 (Audited)
I	ASSETS		
1	Non-Current Assets		
	(a) Property, plant and equipment	663	441
	(b) Intangible assets	2,224	3,838
	(c) Intangible assets under development	223	154
	(d) Right to use assets	526	-
	(e) Financial assets		
	i. Investments	3,981	-
	ii. Other financial assets	15,544	5,611
	(f) Income tax assets (net)	379	959
	(g) Deferred tax assets (Net)	186	186
	(h) Other non-current assets	4,222	4,018
		27,949	15,207
2	Current Assets		
	(a) Financial assets		
	i. Investments	5,494	4,088
	ii. Trade receivables	117	134
	iii. Cash and cash equivalents	1,297	152
	iv. Bank balance other than (iii) above	14,715	37,809
	v. Other financial assets	206	47
	(b) Current tax assets (Net)	1,631	1,755
	(c) Other current assets	411	339
		23,871	44,324
	Total Assets	51,820	59,531
II	EQUITY & LIABILITIES		
3	Equity		
	(a) Equity Share capital	48,052	48,052
	(b) Other equity	(15,807)	(10,937)
	Total Equity	32,245	37,116
4	Non Controlling Interest	579	1,286
5	Core Settlement Guarantee Fund	1,041	1,041
	Liabilities		
6	Non-Current Liabilities		
	(a) Financial liabilities		
	i. Lease rental liability	184	-
	ii. Other financial liabilities	11,025	10,776
	(b) Provisions	46	31
	(c) Deferred Tax Liability	55	1
		11,310	10,808
7	Current Liabilities		
	(a) Financial liabilities		
	i. Borrowings	-	2,415
	ii. Trade payables		
	a. Total outstanding dues of micro, small and medium enterprises	2	-
	b. Total outstanding dues to creditors other than micro, small and medium enterprises	285	948
	iii. Lease rental liability	418	-
	iv. Other financial liabilities	5,252	5,405
	(b) Other current liabilities	644	489
	(c) Provisions	43	24
		6,644	9,280
	Total Equity & Liabilities	51,820	59,531

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

Sr. No.	Particulars	For the Year Ended	
		March 31, 2020 (Audited)	March 31, 2019 (Audited)
A.	Cash flow from Operating Activities		
	Net Profit / (Loss) before tax as per Statement of Profit and Loss		(4,578)
	Adjustments for		
	Depreciation/Amortisation	919	1,338
	Depreciation On Right to Use Assets	374	-
	Impairment of Assets	1,480	-
	Net fair value gain/loss on financial assets measured at fair value through profit and loss	(28)	(112)
	Dividend Distribution Tax	(269)	-
	Dividend from investments	(68)	(41)
	Unrealised Exchange Rate fluctuation	2	-
	Interest Income - Bank FD	(1,968)	(2,414)
	Interest Income - Corp. FD	(100)	-
	Interest on IT Refund	(173)	-
	Finance Costs	119	111
	Finance Costs - ROU Asset (net)	40	-
	Fixed assets written off	-	372
	Impairment loss on financial assets	-	31
	Impairment loss on other assets	-	15
	Profit on sale of investments (net)	(240)	(100)
	Remeasurement of employee benefit	(25)	(10)
	Depletion in value of investments	-	64
	Operating profit/ (loss) before working capital changes		(4,514)
	Adjustments for		
	Decrease/ (increase) in trade receivable	15	(117)
	Decrease/ (increase) in financial & other assets	(290)	(26)
	Total Increase / (decrease) in Current and non current assets		(275)
	Increase / (decrease) in trade payables	(661)	132
	Increase / (decrease) in financial & other liabilities	333	3,850
	Increase / (decrease) in provision	88	6
	Total Increase / (decrease) in Current and non current Liabilities		(239)
	Cash generated from/(used in) operations		(5,029)
	Less:(Taxes paid) / refund received		877
	Net cash generated from/(used in) operating activities		(4,152)
B.	Cash flow from investing activities		
	Purchase of fixed assets (including capital work in progress and intangible assets)	(1,088)	(309)
	Sale of fixed assets (net)	12	3
	Purchase of current investments	(2,34,642)	(1,03,074)
	Sale of current investments	2,33,504	1,03,369
	Fixed deposit placed with banks	(55,543)	(43,182)
	Corporate Deposits (net)	(3,981)	-
	Fixed deposit matured	68,658	38,927
	Dividend from investment	68	41
	Interest received (net of accrued interest)	1,968	2,414
	Net cash generated from/(used in) Investing Activities		8,956
C.	Cash flow from financing activities		
	Finance cost	(119)	(110)
	Lease Liability Payment	(420)	-
	Share application money received/ (refunded)	-	(0)
	Short term borrowings	(2,415)	2,415
	Proceeds from issuance of shares (Net)	-	278
	Receipt/(Distribution) from/to minority shareholders	(705)	-
	Security premium collected (Net of Expenses)	-	252
	Net Cash Generated from Financing Activities		(3,659)
	Net Increase in Cash and Cash Equivalents		1,145
	Cash and Cash Equivalents at Beginning of the Year	152	150
	Cash and Cash Equivalents at End of the Year		1,297
	Add : Fixed Deposits held for more than three months	14,715	37,809
	Closing Cash and Bank Balance as per Note 12 & 13		16,011
	Component of cash & bank balance (refer note 11)		
	In current account		
	Owned	860	130
	Earmarked	436	21
	Cash on hand	0	0
	Stamps in hand	1	1
		1,297	152

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CONSOLIDATED SEGMENT INFORMATION FOR THE PERIOD ENDED MARCH 31, 2020

Primary Segment						
Business segments being Trading & Clearing						
(₹ in Lakh)						
Sr. No.	Particulars	For the Quarter Ended			For the Year Ended	
		Mar 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)	Mar 31, 2019 (Audited)	Mar 31, 2020 (Audited)	Mar 31, 2019 (Audited)
I	Segment Revenue					
	(a) Trading Services	140	126	136	524	583
	(b) Clearing Services	137	121	116	507	230
	Total	277	247	252	1,031	813
	Less : Inter Segment Revenue	0	0	1	3	9
	Total Income	277	247	251	1,029	804
II	Segment Results					
	(a) Trading Services	(959)	(972)	(1,068)	(5,456)	(4,989)
	(b) Clearing Services	(443)	(568)	(340)	(1,694)	(1,427)
	Profit / (Loss) before Interest and Taxation	(1,402)	(1,540)	(1,408)	(7,150)	(6,416)
	Less : Interest	(16)	25	37	160	110
	Add : Unallocable Income	546	740	722	2,809	2,681
	Profit / (Loss) before Taxation	(840)	(825)	(723)	(4,501)	(3,845)
	Less : Tax Expense (Net)	(42)	(40)	63	76	214
	Profit / (Loss) after Taxation	(798)	(785)	(785)	(4,577)	(4,059)
	Less : Non controlling Interest	(5)	(2)	8	10	28
	Other Comprehensive Income	(28)	1	(23)	(25)	(9)
	Profit / (Loss) for the period/year	(821)	(782)	(817)	(4,612)	(4,096)
III	Segment Assets (As at)					
	(a) Trading Services				13,487	9,184
	(b) Clearing Services				12,279	13,763
	(c) Unallocated				26,054	36,584
	Total Assets				51,820	59,531
IV	Segment Liabilities (As at)					
	(a) Trading Services				4,722	7,911
	(b) Clearing Services				10,151	9,219
	(c) Unallocated				3,082	2,958
	Total Liabilities				17,955	20,088

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 and year ended March 31, 2020 : 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.

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Notes :

- 1 The above unaudited consolidated financial results of the Group for the quarter and year ended March 31, 2020, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on June 23, 2020 and the Statutory Auditors of the Company have conducted an audit of the aforesaid result.
- 2 The above consolidated financial results for the quarter and year ended March 31, 2020 are prepared in accordance with the Indian Accounting Standard (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- 3 Subsidiary MCCIL had filed a capital reduction petition with Hon'ble National Company Law Tribunal (NCLT) on November 30, 2018 seeking reduction of 170,000,000 Equity Shares of INR 10/- each held by the Shareholders as on the record date on proportionate basis, at a price of INR 10 per share, out of the total existing paid up Equity Share Capital of the Company of INR 29,537.09 Lakh divided into 295,370,991 Equity Shares of INR 10/- each fully paid up, and that such reduction is effected by returning capital to the Shareholders, of an aggregate amount of INR 17,000 Lakh and the Share Capital of the subsidiary MCCIL would reduce to the extent of shares so cancelled. The petition was admitted by Hon'ble NCLT on January 28, 2019.
The Hon'ble NCLT vide order dated August 19, 2019 and the Registrar of Companies vide issue of certificate dated August 29, 2019 approved reduction in share capital of the Company by 170,000,000 (Seventeen Crore) Equity Shares of INR 10/- each (Indian Rupees Ten only) held by the shareholders on proportionate basis. Accordingly MSE has received Rs. 16,294.96 Lakh from MCCIL and Investment of MSE in Subsidiary MCCIL has reduced to Rs. 12,017 Lakh.
Further, in terms of the aforesaid order, proportionate funds amounting to INR 3,30,93,974/- to be paid to M/s. 63 moons technologies ltd, pursuant to capital reduction, have been transferred to current liabilities in the books of accounts of the Company, until further directions are received from SEBI in this matter.
Post capital reduction the Equity Share Capital of the subsidiary Company is INR 12,537.09 Lakh constituting of 125,370,991 shares of INR 10 each.
- 4 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 whom it indirectly holds equity shares or any instrument entitling voting rights in MCCIL shall cease to be entitled to exercise voting rights in respect of those shares or instruments with immediate effect. The Securities Appellate Tribunal (SAT) has since its order dated July 09, 2014 upheld the decision of SEBI. SEBI had vide its letter dated September 29, 2014 directed the Company to comply with the shareholding requirements of SECC Regulations and SEBI's direction issued vide order dated March 19, 2014 with regard to entities which have been declared not 'fit and proper' person. Further the Company sent multiple letters to 63 moons 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.
- 5 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 MD & CEO of the Company.
- 6 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.
- 7 The Company had adopted Ind AS 116 "Leases", effective from April 1, 2019. This has resulted in recognising a 'Right-of-Use' asset and lease rental receivable and corresponding lease rental liability of Rs. 966 Lakhs as at April 1, 2019. The Impact on the profit / loss for the quarter is not material.
- 8 Securities & Exchange Board of India 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 - For Segments other than Commodity Derivatives:
An amount of Rs. 4165 Lakh is required to be maintained as the Minimum Required Corpus (MRC) of Core SGF for the segment other than commodity. As on March 31, 2020, an amount of Rs. 5489 Lakh is maintained comprising of Rs. 2335 Lakh contributed by the MCCIL, Rs. 1041 Lakh contributed by MSEI, Rs. 426 Lakh as Penalties and Rs. 1687 Lakh as Income earned / accrued on Core SGF Corpus.
(B) Core SGF- For Commodity Segment:
An amount of INR 1000 Lakh is required to be maintained as the Minimum Required Corpus (MRC) of Core SGF in the Commodity Derivatives Segment. As on March 31, 2020, an amount of INR 4539 Lakh is maintained comprising of INR 500 Lakh contributed by the MCCIL, INR 3534 Lakh contributed by ICEX and INR 44 Lakh as Penalties, INR 461 Lakh as Income earned / accrued on Core SGF Corpus.
- 9 Ms. Latika S. Kundu has joined the Exchange as MD & CEO of MSE w.e.f. March 12, 2020.
- 10 As per Ind AS 36 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. If such case, the asset is described as impaired and Ind AS 36 'Impairment of Assets' requires an entity to recognise an impairment loss.
Accordingly, the holding company has carried out impairment testing of intangible assets during the year to ascertain the carrying value of same predominantly Exchange softwares based on current and future expected activity and usage from the software deployed for various segment and accordingly considered a provision for impairment of Rs.1479 Lakh.
- 11 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. 1041 Lakh 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.
- 12 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, 2020, 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.
- 13 The auditor in their review report on the standalone financial statements for the quarter and Year ended March 31, 2020 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 and preceding periods. Business volumes are not sufficient and there is no clarity on increasing revenue & making profits and the Company could not achieve its projected revenues so far. The management has also considered the GST Credit available amounting to Rs. 4,171 Lakh and MAT Credit Entitlement amounting to Rs.186 Lakh as recoverable, basis the same 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, 2020 stands at Rs. 18,864 Lakh as against minimum regulatory requirement of Rs. 10,000 Lakh. Further, the Exchange has also gone live on regulatory requirement like interoperability and Exchange's operations are running smoothly & appropriately.
Apart from this Exchange is taking various new initiatives which will help the Exchange in creating volumes and revenue. 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.
- 14 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 : June 23, 2020

Latika S. Kundu
Managing Director & CEO