

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, 2020

(Rs in Lakh except per share data)

Particulars	For the Quarter Ended			For the Year Ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	Unaudited	Audited	Unaudited	Audited
1 Revenue from operations	102	140	134	525
2 Other Income	364	317	249	1,050
3 Total Income	465	457	383	1,575
4 Expenses				
(a) Operating expenses	292	251	228	1,072
(b) Employee benefits expense	442	481	390	1,699
(c) Depreciation and amortisation expense	210	116	352	1,041
(d) Advertisement and business promotion expenses	3	10	15	51
(e) Administration and Other expenses	148	301	293	908
(f) Finance Costs	5	(23)	74	139
Total Expense	1,101	1,136	1,353	4,910
5 Profit/ (Loss) from before Exceptional items and tax	(635)	(679)	(970)	(3,335)
6 Exceptional items	-	-	-	(1,480)
7 Profit/ (Loss) from before tax	(635)	(679)	(970)	(4,815)
8 Tax expense				
1) Current Tax	-	-	-	-
2) Earlier Year Tax	-	-	-	-
3) Deferred Tax	-	-	-	-
Total Tax Expense	-	-	-	-
9 Profit/ (Loss) for the period/Year	(635)	(679)	(970)	(4,815)
10 Other Comprehensive Income				
1) Items that will not reclassified to profit or loss (net of tax)	(7)	(17)	(1)	(14)
2) Income tax relating to item will not reclassified to profit or (loss)	-	-	-	-
Total other Comprehensive Income for the period/year, net of tax	(7)	(17)	(1)	(14)
11 Total Comprehensive Income for the period/Year	(642)	(696)	(971)	(4,829)
12 Paid-up Equity Share Capital (Equity Shares of Rs. 1/- each.)	48,052	48,052	48,052	48,052
13 Other equity				(17,170)
14 Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)				
(a) Basic	(0.01)	(0.01)	(0.02)	(0.10)
(b) Diluted	(0.01)	(0.01)	(0.02)	(0.10)

Notes :

- 1 The above unaudited standalone financial results of the Company for the quarter ended June 30, 2020, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on September 14, 2020 and the Statutory Auditors of the Company have carried out limited review of the aforesaid result. The figures for the quarter ended March 31, 2020 are arrived at as difference between audited figures in respect of the full financial year for the year ended March 31, 2020 and the reviewed figures upto nine months period ended December 31, 2019.
- 2 The above standalone financial results for the quarter ended June 30, 2020 are prepared in accordance with the Indian Accounting Standards (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 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. 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 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 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. The Company is awaiting approval from SEBI in this regard. In view of the above, no contribution has been made to other clearing corporations and the Company has not taken any charge for the contribution to Core SGF in the statement of profit and loss. The Management has also assessed that there is no impact on their operations with clearing corporations due to non payment of contribution to Core SGF to them.
- 6 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 quarter ended June 30, 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.
- 7 Ms. Manisha Thakur has joined the Exchange as Company Secretary of the Exchange w.e.f. April 1, 2020.
- 8 The auditor in their review report on the standalone financial result for the quarter ended June 30, 2020 expressed below Emphasis of Matter which is summarized along with the Company's comments on the same:
During the current quarter, the Subsidiary Company (Metropolitan Clearing Corporation of India Limited) of the Exchange has raised as invoice of Rs. 138.31 Lakh (excl. GST) towards Clearing and Settlement Charges based on an erstwhile agreement (prior to interoperability). The applicability of the said agreement has been disputed by the Company due to Interoperability agreement entered with Subsidiary during June '19 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'.
Metropolitan Clearing Corporation of India Limited ('Subsidiary' or 'MCCIL') has raised the invoice towards Clearing & Settlement ('C&S') charges on the basis of C&S agreement signed in the year 2012 which is no more applicable post interoperability since a new multi-partite agreement effective from June 1, 2019 for C&S charges, for CDS, EDS and Equity segment has been entered upon. MCCIL has raised C&S charges invoices dated July 21, 2020 under new interoperability agreement for quarter ended on June 30, 2020 and subsequently an another invoice has been raised dated August 8, 2020 for Rs. 163 Lakh (incl. of GST) under C&S Agreement 2012.
The said invoice raised by MCCIL is unenforceable and only invoices raised as per interoperability agreement is enforceable.
- 9 The auditor in their review report on the standalone financial result for the quarter ended June 30, 2020 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 appropriately 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 and the Company could not achieve its projected revenues so far. The management has also considered the GST Credit available amounting to Rs. 4,153 Lakh and MAT Credit Entitlement amounting to Rs.186 Lakh as recoverable treating the company as going concern. 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 June 30, 2020 stands at Rs.182 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. Apart from above, Exchange is taking various new initiatives which will help in creating volumes and revenue in future. 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.
- 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

Sd/-
Latika S. Kundu
MD & CEO

Place : Mumbai
Dated : September 14, 2020