

Metropolitan Stock Exchange of India Limited

Regd. Office: Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla (West), Mumbai - 400 070, INDIA | CIN: U65999MH2008PLC185856



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021

(Rs in Lakh except per share data)

Particulars	For the Quarter Ended			For the Year Ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Unaudited	Audited	Unaudited	Audited
1 Revenue from operations	257	312	229	1,063
2 Other Income	397	373	608	2,182
3 Total Income	654	685	837	3,245
4 Expenses				
(a) Operating expenses	458	345	479	1,695
(b) Employee benefits expense	514	516	594	2,290
(c) Depreciation and amortisation expense	260	367	291	1,117
(d) Advertisement and business promotion expenses	19	26	3	59
(e) Administration and Other expenses	223	343	215	1,068
(f) Finance Costs	17	50	10	83
Total Expense	1,490	1,648	1,593	6,312
5 Profit/ (Loss) from before Exceptional items and tax	(836)	(963)	(755)	(3,067)
6 Exceptional items	-	-	-	-
7 Profit/ (Loss) from before tax	(836)	(963)	(755)	(3,067)
8 Tax expense				
1) Current Tax	-	-	5	-
2) Earlier Year Tax	-	(0)	-	(0)
3) Deferred Tax	2	18	5	41
Total Tax Expense	2	18	10	41
9 Profit/ (Loss) for the period/year	(838)	(981)	(765)	(3,108)
10 Other Comprehensive Income				
1) Items that will not reclassified to profit or loss (net of tax)	3	42	(7)	11
2) Income tax relating to item will not reclassified to profit or (loss)	0	(3)	-	0
Total Other Comprehensive Income for the period/year, net of tax	3	39	(7)	11
11 Total Comprehensive Income for the period/year	(835)	(941)	(772)	(3,096)
12 Non controlling interest in Income/(Loss)	(7)	(29)	0	(26)
13 Net Profit/ (Loss) after taxes and non controlling interest (11-12)	(828)	(912)	(772)	(3,070)
14 Paid-up Equity Share Capital (Equity Shares of Rs. 1/- each.)	48,052	48,052	48,052	48,052
15 Other equity				(18,876)
16 Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)				
(a) Basic	(0.02)	(0.02)	(0.02)	(0.06)
(b) Diluted	(0.02)	(0.02)	(0.02)	(0.06)

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CONSOLIDATED UNAUDITED SEGMENT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2021

Primary Segment

Business segments being Trading & Clearing

(₹ in Lakh)

Particulars	For the Quarter Ended			For the Year Ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Unaudited	Audited	Unaudited	Audited
I Segment Revenue				
(a) Trading Services	143	196	102	585
(b) Clearing Services	267	309	266	1,124
Total	410	505	368	1,709
Less : Inter Segment Revenue	153	194	139	646
Total Income	257	312	229	1,063
II Segment Results				
(a) Trading Services	(834)	(804)	(948)	(3,488)
(b) Clearing Services	(388)	(470)	(422)	(1,722)
Profit / (Loss) before Interest and Taxation	(1,221)	(1,274)	(1,371)	(5,210)
Less : Interest	17	50	10	83
Add : Unallocable Income	402	361	626	2,226
Profit / (Loss) before Taxation	(836)	(963)	(755)	(3,067)
Less : Tax Expense (Net)	2	18	10	41
Profit / (Loss) after Taxation	(838)	(981)	(765)	(3,108)
Less : Non controlling Interest	(7)	(29)	0	(26)
Other Comprehensive Income	3	39	(7)	11
Profit / (Loss) for the period/year	(828)	(912)	(772)	(3,070)

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 June 30, 2021 :

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."

Notes :

- 1 The above unaudited consolidated financial results of the Group for the quarter ended June 30, 2021, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on August 14, 2021 and the Statutory Auditors of the Company have carried out limited review of the aforesaid result. The figures for the quarter ended March 31, 2021 are arrived at as difference between audited figures in respect of the full financial year for the year ended March 31, 2021 and the reviewed figures upto nine months period ended December 31, 2020.
- 2 The above unaudited consolidated financial results for the quarter ended June 30, 2021 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, as amended
- 3 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.
- 4 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.
- 5 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.
- 6 SEBI has advised the Exchange to initiate Forensic Audit in certain matters which is currently on going.
- 7 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. 41.65 crore is required to be maintained as the Minimum Required Corpus (MRC) of Core SGF for the segment other than commodity. As on June 30, 2021, an amount of Rs. 57.08 crore is maintained comprising of Rs. 23.35 crore contributed by the MCCIL, Rs. 10.41 crore contributed by MSEI, Rs. 4.26 crore as Penalties and Rs. 19.06 crore as Income earned / accrued on Core SGF Corpus.
(B) Core SGF- For Commodity 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, 2021, an amount of INR 48.88 crore is maintained comprising of INR 5.00 crore contributed by the MCCIL, INR 35.34 crore contributed by ICEX and INR 0.56 crore as Penalties , INR 7.98 crore as Income earned / accrued on Core SGF Corpus.
- 8 Impact of COVID 19: The Group 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, 2021, the impact of CoVID-19 pandemic on Group's financials and Operations remained insignificant. However, going forward the full extent to which the pandemic will impact the future financial results of the Group 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 Group, if any.
- 9 The auditor in their review report on the consolidated financial result for the quarter ended June 30, 2021 expressed below qualification which is summarized along with the Group's comments on the same:
The holding company continues to prepare its Standalone Financial Results on going concern basis even though Company has continued to incur significant losses during the current and preceding periods. As advised, the Company is adequately capitalised, has gone live on interoperability, operations are functioning, core transaction income has increased based on increased volumes, adequate cost reduction measures have been considered, initiatives are being taken to build new products and build further volume and thereby gross revenues 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 at present and there is no clarity on increasing revenue & making profits in future and the holding Company could not achieve its projected revenues so far and accordingly we are unable to comment on the preparation of results on going concern basis and related adjustments, if any, that will be arising out of said going concern assumption.
The Company is adequately capitalized, the regulatory net worth of the company as on June 30, 2021 is much higher than the 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. It is pertinent to note that the core transaction income of the Exchange increased on account of increased volumes. Apart from the above, the Exchange is taking various initiatives which will help in building further volumes and thereby revenue. Further, the Exchange has also adopted various cost reduction measures, which shall help the Exchange in improving its financial position. Accordingly, the Company continues to prepare its Financial Statements on going concern basis.
- 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 : August 14, 2021