

Metropolitan Stock Exchange of India Limited

Regd. Office: 501, 5th Floor, Vibgyor Tower, Plot No - C62, G Block, Opp. Trident Hotel,
Bandra Kurla Complex, Bandra (East), Mumbai- 400098, INDIA | CIN: U65999MH2008PLC185856



Statement of Consolidated Unaudited Financial Results for the Quarter and Nine Months Ended December 31, 2020

(Rs. in Lakh except per share data)

Sr. No.	Particulars	For the Quarter Ended			For the Nine Months Period Ended		For the Year Ended
		Dec 31,2020 Unaudited	Sept 30,2020 Unaudited	Dec 31,2019 Unaudited	Dec 31,2020 Unaudited	Dec 31,2019 Unaudited	March 31, 2020 Audited
1	Revenue from operations	265	257	247	751	752	1,029
2	Other Income	684	517	575	1,809	2,101	2,672
3	Total Income	949	774	821	2,560	2,852	3,701
4	Expenses						
	(a) Operating expenses	397	474	468	1,350	1,292	1,767
	(b) Employee benefits expense	592	587	587	1,773	1,562	2,194
	(c) Depreciation and amortisation expense	224	236	285	750	1,089	1,294
	(d) Advertisement and business promotion expenses	22	7	21	33	42	52
	(e) Administration & Other expenses	255	255	261	725	872	1,255
	(f) Finance Costs	10	12	25	32	176	159
	Total Expense	1,500	1,571	1,646	4,664	5,034	6,722
5	Profit/ (Loss) from before Exceptional items and tax	(551)	(798)	(825)	(2,104)	(2,182)	(3,021)
6	Exceptional items	-	-	-	-	(1,480)	(1,480)
7	Profit/ (Loss) from before tax	(551)	(798)	(825)	(2,104)	(3,661)	(4,501)
8	Tax expense						
	1) Current Tax	(10)	5	(55)	-	60	10
	2) Earlier Year Tax	-	-	-	-	8	8
	3) Deferred Tax	9	9	15	23	50	58
	Total Tax Expense	(1)	14	(40)	23	118	76
9	Profit/ (Loss) for the period/year	(550)	(811)	(786)	(2,127)	(3,779)	(4,577)
10	Other Comprehensive Income						
	1) Items that will not reclassified to profit or loss (net of tax)	(10)	(14)	1	(31)	4	(29)
	2) Income tax relating to item will not reclassified to profit or (loss)	1	2	-	3	-	4
	Total other Comprehensive Income for the period/year , net of tax	(9)	(12)	1	(28)	4	(25)
11	Total Comprehensive Income for the period/year	(559)	(824)	(785)	(2,155)	(3,776)	(4,602)
12	Non controlling interest in Income/(Loss)	2	0	(2)	3	4	10
13	Net Profit/ (Loss) after taxes and non controlling interest (11-12)	(561)	(824)	(783)	(2,158)	(3,780)	(4,612)
14	Paid-up Equity Share Capital (Equity Shares of Rs. 1/- each.)	48,052	48,052	48,052	48,052	48,052	48,052
15	Other equity						(15,807)
16	Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)						
	(a) Basic	(0.01)	(0.02)	(0.02)	(0.04)	(0.08)	(0.10)
	(b) Diluted	(0.01)	(0.02)	(0.02)	(0.04)	(0.08)	(0.10)

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Consolidated Unaudited Segment Information for the Period Ended December 31, 2020

Primary Segment Business segments being Trading & Clearing								(Rs. in Lakh)
Sr. No.	Particulars	For the Quarter Ended			For the Nine Months Period Ended		For the Year Ended	
		Dec 31,2020 Unaudited	Sept 30,2020 Unaudited	Dec 31,2019 Unaudited	Dec 31,2020 Unaudited	Dec 31,2019 Unaudited	Mar 31, 2020 Audited	
I	Segment Revenue							
	(a) Trading Services	149	138	126	388	384	524	
	(b) Clearing Services	249	300	121	815	370	507	
	Total	398	438	247	1,204	754	1,031	
	Less : Inter Segment Revenue	133	181	(0)	452	3	3	
	Total Income	265	257	247	751	752	1,029	
II	Segment Results							
	(a) Trading Services	(852)	(884)	(972)	(2,685)	(4,498)	(5,456)	
	(b) Clearing Services	(405)	(424)	(568)	(1,252)	(1,251)	(1,694)	
	Profit / (Loss) before Interest and Taxation	(1,258)	(1,308)	(1,540)	(3,937)	(5,749)	(7,150)	
	Less : Interest	10	12	25	32	176	160	
	Add : Unallocable Income	717	522	740	1,865	2,264	2,809	
	Profit / (Loss) before Taxation	(551)	(798)	(825)	(2,104)	(3,662)	(4,501)	
	Less : Tax Expense (Net)	(1)	14	(40)	23	118	76	
	Profit / (Loss) after Taxation	(550)	(811)	(786)	(2,127)	(3,780)	(4,577)	
	Less : Non controlling Interest	2	0	(2)	3	4	10	
	Other Comprehensive Income	(9)	(12)	(1)	(28)	4	(25)	
	Profit / (Loss) for the period/year	(561)	(824)	(783)	(2,158)	(3,780)	(4,612)	
III	Segment Assets (As at)							
	(a) Trading Services				13,307	12,309	13,487	
	(b) Clearing Services				13,185	11,727	12,279	
	(c) Unallocated				23,388	28,764	26,054	
	Total Assets				49,880	52,801	51,820	
IV	Segment Liabilities (As at)							
	(a) Trading Services				4,191	5,211	4,722	
	(b) Clearing Services				10,721	12,722	10,151	
	(c) Unallocated				3,170	1,795	3,082	
	Total Liabilities				18,081	19,728	17,955	

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 nine months ended December 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.

Notes :

- The above unaudited consolidated financial results of the Group for the quarter and nine months ended December 31, 2020, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on February 11, 2021 and the Statutory Auditors of the Company have carried out limited review of the aforesaid result.
- The above unaudited consolidated financial results for the quarter and nine months ended December 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.
- 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.
- 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 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.
- 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 December 31, 2020, an amount of Rs. 57.45 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. 19.43 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 December 31, 2020, an amount of INR 47.64 crore is maintained comprising of INR 5 crore contributed by the MCCIL, INR 35.34 crore contributed by ICEX and INR 0.55 crore as Penalties, INR 6.75 crore as Income earned / accrued on Core SGF Corpus."
- 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 (excluding interest earned thereon) 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, which SEBI has allowed to all the Exchanges vide its circular SEBI/HO/MRD2/DCAP/CIR/P/2021/03 dated January 8, 2021. As per the confirmation received from the MCCIL, MCCIL has transferred Rs 82.89 Lakhs to NCL and Rs. 75 Lakhs to ICCL as per the Core SGF requirement. Accordingly, MSE has complied with the core SGF requirement.
- 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 August 14, 2020, 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.
- The auditor in their review report on the consolidated financial result for the quarter and nine months ended December 31, 2020 expressed below qualification which is summarized along with the Group's comments on the same:
The Holding 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 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 in future and the Company could not achieve its projected revenues so far. The management has also considered the GST Credit available amounting to Rs. 4,257 Lakh and MAT Credit Entitlement amounting to Rs.186 Lakh as recoverable treating the company as going concern. Considering the uncertainty, 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 December 31, 2020 stands at Rs.171.05 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.
- 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