

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 Standalone 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	149	138	126	388	384	525
2	Other Income	391	282	339	1,036	733	1,050
3	Total Income	540	419	465	1,425	1,117	1,575
4	Expenses						
	(a) Operating expenses	196	285	317	772	821	1,072
	(b) Employee benefits expense	425	433	450	1,300	1,218	1,699
	(c) Depreciation and amortisation expense	159	165	220	534	925	1,041
	(d) Advertisement and business promotion expenses	22	7	21	33	42	51
	(e) Administration and Other expenses	198	167	166	513	607	908
	(f) Finance Costs	2	3	19	11	162	139
	Total Expense	1,003	1,060	1,193	3,163	3,774	4,910
5	Profit/ (Loss) from before Exceptional items and tax	(463)	(641)	(728)	(1,739)	(2,658)	(3,335)
6	Exceptional items	-	-	-	-	(1,480)	(1,480)
7	Profit/ (Loss) from before tax	(463)	(641)	(728)	(1,739)	(4,137)	(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	(463)	(641)	(728)	(1,739)	(4,137)	(4,815)
10	Other Comprehensive Income						
	1) Items that will not reclassified to profit or loss (net of tax)	(7)	(7)	1	(20)	4	(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)	(7)	1	(20)	4	(14)
11	Total Comprehensive Income for the period/Year	(469)	(647)	(727)	(1,758)	(4,134)	(4,829)
12	Paid-up Equity Share Capital (Equity Shares of Rs. 1/- each)	48,052	48,052	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)	(0.04)	(0.09)	(0.10)
	(b) Diluted	(0.01)	(0.01)	(0.02)	(0.04)	(0.09)	(0.10)

Notes :

- 1 The above unaudited standalone financial results of the Company 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.
- 2 The above standalone financial results for the quarter and nine months ended December 31, 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 (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.
- 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 and nine months ended December 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.
- 7 The auditor in their review report on the standalone financial result for the quarter ended December 31, 2020 expressed below Emphasis of Matter which is summarized along with the Company's comments on the same:
During the period, the Subsidiary Company Metropolitan Clearing Corporation of India Limited (MCCIL) of the Exchange has raised invoices of Rs. 451.25 Lakhs (excluding taxes) towards Clearing and Settlement Charges based on an erstwhile C&S Agreement (prior to interoperability). These invoices raised by MCCIL has been disputed by the Exchange for its applicability 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'.
MCCIL has raised invoice dated August 8, 2020 for INR 138.31 Lakhs ,October 31,2020 for Rs. 180.56 Lakhs and January 27, 2021 for Rs. 132.37 lakh (excluding taxes) for the quarter ended June 30, 2020, September 30, 2020 and December 31, 2020 respectively under C&S Agreement 2012 which is unenforceable as trades are to be cleared under Interoperability Agreement (IO). MCCIL has raised the invoice towards C&S charges on the basis of C&S agreement signed in 2012 which is no longer valid post implementation of interoperability (IO) as a multi-partite IO Agreement was executed effective from June 1, 2019 for C&S charges, for CDS, EDS and Equity segment. C&S Agreement had been overridden by IO Agreement for Currency Derivatives, Equity and Equity Derivatives segments w.e.f. June 1, 2019. Further, the Exchange has issued a letter to MCCIL on September 15, 2020 for termination of C&S Agreement as applicable to Debt segment which was temporarily suspended with effect from September 18, 2020 as there were no trades in this segment since 2013. MCCIL has been requested to withdraw the invoices.
- 8 The auditor in their review report on the standalone financial result for the quarter and nine months ended December 31, 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 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.
- 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
Metropolitan Stock Exchange of India Limited