

T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com



INDEPENDENT AUDITOR'S REPORT

To the Members of Metropolitan Stock Exchange of India Limited Report on the Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of **Metropolitan Stock Exchange of India Limited ('Holding Company')** and its subsidiaries (the Company and its subsidiaries together referred to as '**the Group**'), which comprise the Consolidated Balance Sheet as at March, 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Change in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "**the consolidated financial statements**").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and its consolidated loss (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Qualified Opinion

We draw attention to note 38 of the consolidated financial statements whereby the Holding 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. As advised, the Holding Company is adequately capitalised, has gone live on interoperability, operations are functioning and gross revenue are expected to increase in future years and accordingly the Holding Company continues to prepare its Financial Statements 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 Holding Company could not achieve its projected revenues so far. The management has also considered the GST Credit available amounting to Rs. 4,328 Lakh and MAT Credit Entitlement amounting to Rs.186 Lakh, in the books of Holding Company, as recoverable treating the Holding company as going concern. Considering the uncertainty, we are unable to comment on the preparation of Consolidated Financial Statements on going concern basis and not making provisions / impairment for GST Receivable of Rs.4,328 lakh and MAT Credit entitlement of Rs.186 lakh and the adjustments, if any, that will be arising out of the same.



Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Branches at: ✦ AHMEDABAD ✦ BENGALURU ✦ CHENNAI ✦ GURGAON ✦ HYDERABAD ✦ PUNE ✦ TIRUPATI

T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com



We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of the financial statements referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. Emphasis of matter

- a. We draw attention to Note 62 of the consolidated financial statements, which describes the extent to which the Covid-19 pandemic will impact the Company's consolidated financial statement will depend on the upcoming developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

4. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

a. Identification of Onerous Contract

As per Ind AS 37 "Provision, contingent liabilities and contingent assets", an onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Holding Company has an unavoidable long-term contract with one of the service providers which constitutes approx. 57% of the Technology Cost of Holding Company (refer note 31) for the year ended March 31, 2021.

Auditor's Response: Our procedure in relation to identification of onerous contract included, review of material contract with service providers, assessing the related cost and economic benefits expected to be received/are received and critically assessing the management's estimates with regard to plan for utilization of such costs. Based on above

Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com



Branches at: ♦ AHMEDABAD ♦ BENGALURU ♦ CHENNAI ♦ GURGAON ♦ HYDERABAD ♦ PUNE ♦ TIRUPATI

T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com



audit procedures the said contract has not been treated as onerous contract as on March 31, 2021.

b. Carrying value of Intangible Assets

The Holding Company has carried out impairment testing, during 2020-21, of intangible assets to ascertain its carrying value majorly consisting of computer software based on current and future expected activity and usage from software deployed for various trading segments and accordingly concluded on no further provision towards same for the year ended March 31, 2021.

Auditor's Response: We have examined the balance useful life, amortization charges and the impairment testing so performed by the management including assumption made while accessing the expected discounted inflow from various services rendered by the Holding Company. Based on above, we assessed the impairment testing carried out by the Management.

5. Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Holding Company's Annual report but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs and consolidated loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of

Corporate / Regd. Office : B-30, Connaught Place, Kuthiara Building, New Delhi - 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Branches at : ✦ AHMEDABAD ✦ BENGALURU ✦ CHENNAI ✦ GURGAON ✦ HYDERABAD ✦ PUNE ✦ TIRUPATI



T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com



the each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, Management and respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Management and Board of Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those respective Board of Directors included in the Group are also responsible for overseeing the financial reporting process of each company.

7. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section

Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Branches at: ♦ AHMEDABAD ♦ BENGALURU ♦ CHENNAI ♦ GURGAON ♦ HYDERABAD ♦ PUNE ♦ RAIPURI



T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com



143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are companies incorporated in India, if any, has internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com



Branches at: ✦ AHMEDABAD ✦ BENGALURU ✦ CHENNAI ✦ GURGAON ✦ HYDERABAD ✦ PUNE ✦ TIRUPATI

T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Other Matters

- a. We did not audit the financial statements of a subsidiary; whose financial statements include total asset of Rs.28,658.12 lakhs, total revenues of Rs.2,193.24 lakhs, net profit/(loss) after tax of Rs.43.25 lakhs, total comprehensive income of Rs.42.56 lakhs and net cash outflow of Rs.27.34 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements. The aforesaid financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of the sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our above opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

9. Report on Other Legal and Regulatory Requirements

- a. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on Separate financial statements and other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - i. We/the other auditors whose report we have relied upon, except for the matters described in the Basis for Qualified Opinion paragraph, have sought and obtained, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - ii. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors:



Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Branches at: ♦ AHMEDABAD ♦ BENGALURU ♦ CHENNAI ♦ GURGAON ♦ HYDERABAD ♦ PUNE ♦ TIRUPATI

T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com



- iii. The Consolidated Balance Sheet, Consolidated Statement of and Loss including the statement of other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- iv. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (India Accounting Standards) Rules, 2015, as amended.
- v. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- vi. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2021, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- vii. The qualification relating to the maintenance of accounts and other matters connected herewith are as stated in the Basis for Qualified Opinion paragraph above.
- viii. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the auditor's reports of the Holding Company and its subsidiary companies incorporated in India.
- ix. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act, as amended, in our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of section 197 of the Act.
- x. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'other matter' paragraph:
 - i. The Consolidated Financial Statements discloses the impact of pending litigations on the consolidated financial position of the Group (refer note 36).

Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Branches at: ✦ AHMEDABAD ✦ BENGALURU ✦ CHENNAI ✦ GURGAON ✦ HYDERABAD ✦ PUNE ✦ THIRUPATI



T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com



- ii. The Holding Company has entered into various contracts including long term contracts with a company towards software license and maintenance agreements etc. The continuance of these contract shall depend on the future running of the business including raising required resources for the same. Hence, the chances of termination of these contracts and the impact of the same on the consolidated financial statements including penalty and charges if any cannot be commented upon (refer note 36).
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For T R Chadha & Co LLP

Chartered Accountants

Firm's Registration No. 006711N/N500028


Pramod Thwani

Partner

Membership No. 076650



UDIN: 21076650AAAACY5396

Place of Signature: Mumbai

Date: June 22, 2021.

Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Branches at: ♦ AHMEDABAD ♦ BENGALURU ♦ CHENNAI ♦ GURGAON ♦ HYDERABAD ♦ PUNE ♦ TIRUPATI

T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com



Annexure A to the Auditor's Report

Report on the Internal Financial Controls with reference to consolidated financial statements, of Metropolitan Stock Exchange of India Limited ('Holding Company'), under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

Opinion

We have audited the internal financial controls with reference to consolidated financial statements of **Metropolitan Stock Exchange of India Limited ('the Holding Company')** and its subsidiary companies, which are companies incorporated in India, as of March 31, 2021, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The Management and Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Branches at: ✦ AHMEDABAD ✦ BENGALURU ✦ CHENNAI ✦ GURGAON ✦ HYDERABAD ✦ PUNE ✦ TIRUPATI



T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai - 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial with reference to consolidated financial statements includes obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies incorporate in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to

Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi - 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Branches at: ✦ AHMEDABAD ✦ BENGALURU ✦ CHENNAI ✦ GURGAON ✦ HYDERABAD ✦ PUNE ✦ TIRUPATI



T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email: mumbai@trchadha.com



financial statements of a subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

For T R Chadha & Co LLP

Chartered Accountants

Firm's Registration No. 006711N/N500028


Pramod Tilwani

Partner

Membership No. 076650

UDIN: 21076650AAAACY5396

Place of Signature: Mumbai

Date: June 22, 2021.



Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi – 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Branches at: ✦ AHMEDABAD ✦ BENGALURU ✦ CHENNAI ✦ GURGAON ✦ HYDERABAD ✦ PUNE ✦ TIRUPATI

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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

(₹ in Lakh except per share data)

Sr. No.	Particulars	For the Quarter Ended			For the year ended	
		Mar 31, 2021 (Audited)	Dec 31, 2020 (Unaudited)	Mar 31, 2020 (Audited)	Mar 31, 2021 (Audited)	Mar 31, 2020 (Audited)
1	Revenue from operations	312	265	277	1,063	1,029
2	Other Income	373	684	571	2,182	2,672
3	Total Income	685	949	849	3,245	3,701
4	Expenses					
(a)	Operating expenses	345	397	476	1,695	1,767
(b)	Employee benefits expense	516	592	632	2,290	2,194
(c)	Depreciation and amortisation expense	367	224	204	1,117	1,294
(d)	Advertisement and business promotion expenses	26	22	10	59	52
(e)	Administration and Other expenses	343	255	384	1,068	1,255
(f)	Finance Costs	50	10	(17)	83	159
	Total Expense	1,648	1,500	1,688	6,312	6,722
5	Profit/ (Loss) from before Exceptional	(963)	(551)	(840)	(3,067)	(3,021)
6	Exceptional items	-	-	-	-	(1,480)
7	Profit/ (Loss) from before tax	(963)	(551)	(840)	(3,067)	(4,501)
8	Tax expense					
	1) Current Tax	-	(10)	(50)	-	10
	2) Earlier Year Tax	(0)	-	-	(0)	8
	3) Deferred Tax	18	9	8	41	58
	Total Tax Expense	18	(1)	(42)	41	76
9	Profit/ (Loss) for the period/year	(981)	(550)	(798)	(3,108)	(4,577)
10	Other Comprehensive Income					
	1) Items that will not reclassified to profit or loss (net of tax)	42	(10)	(32)	11	(29)
	2) Income tax relating to item will not reclassified to profit or (loss)	(3)	1	4	0	4
	Total other Comprehensive Income for the period/year, net of tax	39	(9)	(28)	11	(25)
11	Total Comprehensive Income for the period/year	(941)	(559)	(826)	(3,096)	(4,602)
12	Non controlling interest in Income/(Loss)	(29)	2	(5)	(26)	10
13	Net Profit/ (Loss) after taxes and non controlling interest (11-12)	(912)	(561)	(821)	(3,070)	(4,612)
14	Paid-up Equity Share Capital (Equity Shares of Rs. 1/- each.)	48,052	48,052	48,052	48,052	48,052
15	Other equity	-	-	-	(18,876)	(15,807)
16	Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)					
	(a) Basic	(0.02)	(0.01)	(0.02)	(0.06)	(0.10)
	(b) Diluted	(0.02)	(0.01)	(0.02)	(0.06)	(0.10)

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 AUDITED ASSET & LIABILITIES AS AT MARCH 31, 2021

(₹ in Lakh)

Sr. No.	Particulars	As at 31st March 2021 (Audited)	As at 31st March 2020 (Audited)
I	ASSETS		
1	Non-Current Assets		
	(a) Property, plant and equipment	865	663
	(b) Intangible assets	1,879	2,224
	(c) Intangible assets under development	260	223
	(d) Right to use assets	1,015	526
	(e) Financial assets		
	i. Investments	891	3,981
	ii. Other financial assets	620	15,544
	(f) Income tax assets (net)	372	379
	(g) Deferred tax assets (Net)	186	186
	(h) Other non-current assets	4,601	4,222
		10,689	27,949
2	Current Assets		
	(a) Financial assets		
	i. Investments	6,499	5,494
	ii. Trade receivables	160	117
	iii. Cash and cash equivalents	189	1,297
	iv. Bank balance other than (iii) above	24,604	14,715
	v. Other financial assets	5,363	206
	(b) Current tax assets (Net)	1,167	1,631
	(c) Other current assets	486	411
		38,468	23,871
	Total Assets	49,157	51,820
II	EQUITY & LIABILITIES		
3	Equity		
	(a) Equity Share capital	48,052	48,052
	(b) Other equity	(18,877)	(15,807)
	Total Equity	29,175	32,245
4	Non Controlling Interest	553	579
5	Core Settlement Guarantee Fund	865	1,041
	Liabilities		
6	Non-Current Liabilities		
	(a) Financial liabilities		
	i. Lease rental liability	822	184
	ii. Other financial liabilities	11,506	11,025
	(b) Provisions	39	46
	(c) Deferred Tax Liability	96	55
		12,463	11,310
7	Current Liabilities		
	(a) Financial liabilities		
	i. Trade payables		
	a. Total outstanding dues of micro, small and medium enterprises	1	2
	b. Total outstanding dues to creditors other than micro, small and medium enterprises	134	119
	ii. Lease rental liability	249	418
	iii. Other financial liabilities	4,865	5,419
	(b) Other current liabilities	834	644
	(c) Provisions	17	43
		6,101	6,644
	Total Equity & Liabilities	49,157	51,820

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 AUDITED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

Sr. No.	Particulars	For the Year Ended March 31, 2021 (Audited)		For the Year Ended March 31, 2020 (Audited)	
A.	Cash flow from Operating Activities				
	Net Profit / (Loss) before tax as per Statement of Profit and Loss		(3,107)		(4,578)
	Adjustments for				
	Depreciation/Amortisation	723		919	
	Depreciation On Right to Use Assets	394		374	
	Impairment of Assets	-		1,480	
	Net fair value gain/loss on financial assets measured at - - fair value through profit and loss	(31)		(28)	
	Dividend Distribution Tax	-		(269)	
	Dividend from investments	(0)		(68)	
	Exchange Rate fluctuation	(1)		2	
	Interest Income - Bank FD	(1,496)		(1,968)	
	Interest Income - Corp. FD	(317)		(100)	
	Interest on IT Refund	(67)		(173)	
	Finance Costs	-		119	
	Finance Costs - ROU Asset (net) & Write off Income	24		40	
	Profit / Loss on sale of fixed asset (net)	(0)		-	
	Fixed assets / CWIP written off / provided for	80		-	
	Impairment loss on financial assets	39		-	
	Profit on sale of investments (net)	(76)		(240)	
	Remeasurement of employee benefit	11		(25)	
	Depletion in value of investments	-	(716)	-	64
	Operating profit/ (loss) before working capital changes		(3,824)		(4,514)
	Adjustments for				
	Decrease/ (increase) in trade receivable	(82)		15	
	Decrease/ (increase) in financial & other assets	(388)		(290)	
	Total Increase / (decrease) in Current and non current assets		(470)		(275)
	Increase / (decrease) in trade payables	14		(827)	
	Increase / (decrease) in financial & other liabilities	(17)		500	
	Increase / (decrease) in provision	(33)		88	
	Total Increase / (decrease) in Current and non current Liabilities		(36)		(239)
	Cash generated from/(used in) operations		(4,329)		(5,029)
	Less: (Taxes paid) / refund received		538		877
	Net cash generated from/(used in) operating activities		(3,791)		(4,152)
B.	Cash flow from investing activities				
	Purchase of fixed assets (including capital work in progress and intangible assets)		(699)		(1,088)
	Sale of fixed assets (net)	2		12	
	Purchase of current investments	(33,454)		(2,34,642)	
	Sale of current investments	36,817		2,33,504	
	Fixed deposit placed with banks	(28,163)		(55,543)	
	Corporate Deposits (net)	(1,278)		(3,981)	
	Fixed deposit matured	28,022		68,658	
	Profit on sale of investments (net)	108		-	
	Dividend from investment	0		68	
	Interest received (net of accrued interest)	1,768		1,968	
	Net cash generated from/(used in) Investing Activities		3,123		8,956
C.	Cash flow from financing activities				
	Finance cost	-		(119)	
	Lease Liability Payment	(438)		(420)	
	Short term borrowings	-		(2,415)	
	Receipt/(Distribution) from/to minority shareholders	-		(705)	
	Net Cash Generated from Financing Activities		(438)		(3,659)
	Net Increase in Cash and Cash Equivalents		(1,107)		1,145
	Cash and Cash Equivalents at Beginning of the Year		1,297		152
	Cash and Cash Equivalents at End of the Year		189		1,297
	Add : Fixed Deposits held for more than three months		24,604		14,715
	Closing Cash and Bank Balance		24,793		16,011
	Component of cash & bank balance				
	In current account				
	Owned		135		890
	Earmarked		54		406
	Cash on hand		0		0
	Stamps in hand		0		1
			189		1,297

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



CONSOLIDATED AUDITED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

Primary Segment

Business segments being Trading & Clearing

(₹ in Lakh)

Sr. No	Particulars	For the Quarter Ended			For the Year Ended	
		Mar 31, 2021 (Audited)	Dec 31, 2020 (Unaudited)	Mar 31, 2020 (Audited)	Mar 31, 2021 (Audited)	Mar 31, 2020 (Audited)
I	Segment Revenue					
	(a) Trading Services	196	149	140	585	524
	(b) Clearing Services	309	249	137	1,124	507
	Total	505	398	277	1,709	1,031
	Less : Inter Segment Revenue	194	133	0	646	3
	Total Income	312	265	277	1,063	1,029
II	Segment Results					
	(a) Trading Services	(804)	(852)	(959)	(3,488)	(5,456)
	(b) Clearing Services	(470)	(405)	(443)	(1,722)	(1,694)
	Profit / (Loss) before Interest and Taxation	(1,274)	(1,258)	(1,402)	(5,210)	(7,150)
	Less : Interest	50	10	(16)	83	160
	Add : Unallocable Income	361	717	546	2,226	2,809
	Profit / (Loss) before Taxation	(963)	(551)	(840)	(3,067)	(4,501)
	Less : Tax Expense (Net)	18	(1)	(42)	41	76
	Profit / (Loss) after Taxation	(981)	(550)	(798)	(3,108)	(4,577)
	Less : Non controlling Interest	(29)	2	(5)	(26)	10
	Other Comprehensive Income	39	(9)	(28)	11	(25)
	Profit / (Loss) for the period/year	(912)	(561)	(821)	(3,070)	(4,612)
III	Segment Assets (As at)					
	(a) Trading Services				16,254	13,487
	(b) Clearing Services				13,462	12,279
	(c) Unallocated				19,440	26,054
	Total Assets				49,157	51,820
IV	Segment Liabilities (As at)					
	(a) Trading Services				4,545	4,722
	(b) Clearing Services				10,746	10,151
	(c) Unallocated				3,272	3,082
	Total Liabilities				18,564	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 Year Ended March 31, 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."
- Segment assets and segment liabilities represent assets and liabilities in respective segments.

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



Notes :

- 1 The above audited consolidated financial results of the Group for the quarter and year ended March 31, 2021, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on June 22, 2021 and the Statutory Auditors of the Company have carried out limited review of the aforesaid result.
- 2 The above unaudited consolidated financial results for the quarter and year ended March 31, 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- 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 Office of Regional Director, (WR), Ministry of Corporate Affairs vide letter dated March 25, 2021 intimated commencement of inspection u/s 206(5) of the Companies Act, 2013. The Exchange has submitted necessary documents.
- 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 March 31, 2021, an amount of Rs. 56.44 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. 18.42 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 March 31, 2021, an amount of INR 48.26 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 7.37 crore as Income earned / accrued on Core SGF Corpus."
- 8 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/MRD/DCAP/CIR/P/2021/03 dated January 8, 2021. As per the confirmation received from the MCCIL, MCCIL has transferred Rs 101.06 Lakhs to NCL and Rs. 75 Lakhs to ICCL as per the Core SGF requirement. Accordingly, MSE has complied with the core SGF requirement.
- 9 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 and year ended March 31, 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."
- 10 The auditor in their review report on the consolidated financial result for the quarter and year ended March 31, 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 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. 4,328 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 March 31, 2021 stands at Rs.164.46 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. It is pertinent to note that during the current FY 2020-21, 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 availing the said Credit. Hence, over the period of time as MSE's business will enhance, this available CENVAT credit shall be utilized to offset government GST liabilities and shall act as cash savings for the organization. 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.
- 11 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

Latika S. Kundu
Managing Director & CEO

Place : Mumbai
Dated : June 22, 2021