

# T R Chadha & Co LLP

## Chartered Accountants

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**Independent Auditor's Review Report on Unaudited Standalone financial results of Metropolitan Stock Exchange of India Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2018, as amended, for the quarter and half year ended September 30, 2021.**

### **TO THE BOARD OF DIRECTORS OF Metropolitan Stock Exchange of India Limited**

1. We have reviewed the unaudited standalone financial results of **Metropolitan Stock Exchange of India Limited ("the Company")** for the quarter and half year ended September 30, 2021 which are included in the accompanying 'Statement of Unaudited Standalone Financial Results', the Statement of Unaudited Standalone Assets and Liabilities as on that date and the Statement of Unaudited Standalone Cash Flows for the half-year ended on that date (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations') read with Regulation 33 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2018, as amended, which has been initialled by us for identification purposes.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons

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responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### 4. Basis for Qualified Conclusion

*We draw attention to note 8 of the standalone results whereby the 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, 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 standalone 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 Company could not achieve its projected revenues so far and accordingly we are unable to comment on the preparation of standalone results on going concern basis and related adjustments, if any, that will be arising out of said going concern assumption.*

#### 5. Qualified Conclusion

Based on our review conducted as above, except for the matter described in para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### 6. Emphasis of Matter

- a. We draw attention to Note 5 to the Statement which describes that Securities Exchange Board of India (SEBI) has advised the Exchange to initiate Forensic Audit

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in certain matters which is currently on going. The impact of aforesaid exercise on the Statement, if any, is dependent on final outcome of the same.

- b. We further draw attention to Note 6 to the Statement which describes the extent to which the Covid-19 pandemic will impact the Company's standalone financial result will depend on the upcoming developments, which are highly uncertain.
- c. We further draw attention to note 7 of the Statement, whereby, the Subsidiary Company Metropolitan Clearing Corporation of Indian Limited (MCCIL) of the Exchange has raised invoices of Rs. 190.58 Lakh, Rs. 343.38 Lakh and Rs. 987.93 Lakh (all amount excluding taxes), towards Clearing and Settlement Charges based on an erstwhile C&S Agreement (prior to interoperability), for the quarter ended September 30, 2021, half year ended September 30, 2021 and cumulative from April 1, 2020 to September 30, 2021 respectively. As detailed in the said Note 7, 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'.

Our conclusion on the Statement is not modified in respect of these matters.

**For T R Chadha & Co LLP**  
**Chartered Accountants**  
**Firm Reg. No. 006711N/N500028**

PRAMOD  
TILWANI

Digitally  
signed by  
PRAMOD  
TILWANI

**Place:** Mumbai  
**Date:** November 12, 2021  
**UDIN:** 21076650AAAFQ5596

**Pramod Tilwani**  
**Partner**  
**Membership No. 076650**

# 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 Standalone Unaudited Financial Results for the Quarter and Half Year ended September 30, 2021

(₹ in Lakh except per share data)

Sr. No.	Particulars	For the Quarter Ended			For the Half Year Ended		For the Year Ended
		Sept 30,2021 Unaudited	June 30,2021 Unaudited	Sept 30,2020 Unaudited	Sept 30,2021 Unaudited	Sept 30,2020 Unaudited	March 31, 2021 Audited
1	Revenue from operations	126	143	138	269	239	585
2	Other Income	205	209	282	414	645	1,296
<b>3</b>	<b>Total Income</b>	<b>331</b>	<b>352</b>	<b>419</b>	<b>683</b>	<b>885</b>	<b>1,881</b>
<b>4</b>	<b>Expenses</b>						
(a)	Operating expenses	234	265	285	499	577	951
(b)	Employee benefits expense	372	378	433	750	875	1,677
(c)	Depreciation and amortisation expense	183	179	165	363	375	825
(d)	Advertisement and business promotion expenses	20	19	7	39	10	59
(e)	Administration and Other expenses	135	172	167	306	315	745
(f)	Finance Costs	9	10	3	19	9	54
	<b>Total Expense</b>	<b>953</b>	<b>1,022</b>	<b>1,060</b>	<b>1,975</b>	<b>2,161</b>	<b>4,311</b>
<b>5</b>	<b>Profit/ (Loss) from before Exceptional items and tax</b>	<b>(622)</b>	<b>(670)</b>	<b>(641)</b>	<b>(1,292)</b>	<b>(1,276)</b>	<b>(2,430)</b>
6	Exceptional items	-	-	-	-	-	-
<b>7</b>	<b>Profit/ (Loss) from before tax</b>	<b>(622)</b>	<b>(670)</b>	<b>(641)</b>	<b>(1,292)</b>	<b>(1,276)</b>	<b>(2,430)</b>
8	Tax expense						
	1) Current Tax	-	-	-	-	-	-
	2) Earlier Year Tax	-	-	-	-	-	-
	3) Deferred Tax	-	-	-	-	-	-
	<b>Total Tax Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Profit/ (Loss) for the period/Year</b>	<b>(622)</b>	<b>(670)</b>	<b>(641)</b>	<b>(1,292)</b>	<b>(1,276)</b>	<b>(2,430)</b>
<b>10</b>	<b>Other Comprehensive Income</b>						
	1) Items that will not reclassified to profit or loss (net of tax)	4	3	(7)	7	(13)	12
	2) Income tax relating to item will not reclassified to profit or ( loss )	-	-	-	-	-	-
	<b>Total other Comprehensive Income for the period/year, net of tax</b>	<b>4</b>	<b>3</b>	<b>(7)</b>	<b>7</b>	<b>(13)</b>	<b>12</b>
<b>11</b>	<b>Total Comprehensive Income for the period/Year</b>	<b>(618)</b>	<b>(667)</b>	<b>(647)</b>	<b>(1,285)</b>	<b>(1,289)</b>	<b>(2,418)</b>
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						(19,587)
14	Earnings Per Share of Rs 1/- each ( In Rs ) (Not Annualised)						
	(a) Basic	(0.01)	(0.01)	(0.01)	(0.03)	(0.03)	(0.05)
	(b) Diluted	(0.01)	(0.01)	(0.01)	(0.03)	(0.03)	(0.05)

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## Statement of Standalone Unaudited Asset & Liabilities as at September 30, 2021

(₹ in Lakh)

Sr. No.	Particulars	As at 30th September '2021 (Unaudited)	As at 31st March '2021 (Audited)
<b>I</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Property, plant and equipment	273	185
	(b) Intangible assets	1,168	1,353
	(c) Intangible assets under development	151	203
	(d) Right to use assets	475	548
	(e) Financial assets		
	I. Investments		
	a. Investment in subsidiaries	12,019	12,019
	b. Other Investments	-	891
	ii. Other financial assets	284	157
	(f) Income tax assets (net)	399	372
	(g) Deferred tax assets (Net)	186	186
	(h) Other non-current assets	4,425	4,343
		<b>19,379</b>	<b>20,256</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Financial assets		
	i. Investments	8,557	4,909
	ii. Trade receivables	316	235
	iii. Cash and cash equivalents	99	177
	iv. Bank balance other than (iii) above	2,180	1,836
	v. Other financial assets	1,048	5,356
	(b) Current tax assets (Net)	76	76
	(c) Other current assets	297	406
		<b>12,571</b>	<b>12,994</b>
	<b>Total Assets</b>	<b>31,950</b>	<b>33,250</b>
<b>II</b>	<b>EQUITY &amp; LIABILITIES</b>		
<b>3</b>	<b>Equity</b>		
	(a) Equity Share capital	48,052	48,052
	(b) Other equity	(20,872)	(19,587)
	<b>Total Equity</b>	<b>27,180</b>	<b>28,465</b>
	<b>Liabilities</b>		
<b>4</b>	<b>Non-Current Liabilities</b>		
	(a) Financial liabilities		
	i. Lease rental liability	399	458
	ii. Other financial liabilities	2,096	2,196
	(b) Provisions	5	5
		<b>2,500</b>	<b>2,659</b>
<b>5</b>	<b>Current Liabilities</b>		
	(a) Financial liabilities		
	i. Trade payable		
	a. Total outstanding dues of micro, small and medium enterprises	0	0
	b. Total outstanding dues to creditors other than micro, small and medium enterprises	98	132
	ii. Lease rental liability	138	144
	iii. Other financial liabilities	1,528	1,468
	(b) Other current liabilities	481	365
	(c) Provisions	25	17
		<b>2,270</b>	<b>2,126</b>
	<b>Total Equity &amp; Liabilities</b>	<b>31,950</b>	<b>33,250</b>

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## Statement of Standalone Unaudited Cash Flows for the Half Year Ended September 30, 2021

(₹ in Lakh)

Sr. No.	Particulars	For the Half Year Ended	
		Sept 30, 2021 (Unaudited)	March 31, 2021 (Audited)
<b>A.</b>	<b>Cash flow from Operating Activities</b>		
	<b>Net Profit / (Loss) before tax as per Statement of Profit and Loss</b>	(1,292)	(2,430)
	<b>Adjustments for</b>		
	Depreciation/Amortisation	290	575
	Depreciation On Right to Use Assets	73	250
	Net fair value gain/loss on financial assets measured at fair value through profit and loss	(12)	1
	Income Tax Expenses	-	-
	Dividend Distribution Tax	-	-
	Dividend from Investments	-	-
	Net Prior Year Adjustments	-	-
	Exchange Rate fluctuation	-	(1)
	Interest Income - Bank FD	(119)	(506)
	Interest Income - Corp. FD	(191)	(317)
	Interest on IT Refund	-	(59)
	Finance Costs - ROU Asset (net) & Write off Income	19	(4)
	Loss on sale of Fixed Asset (net)	(0)	0
	Fixed assets / CWIP written off / provided for	-	80
	Provision for Dividend Distribution Tax	-	-
	Provision for doubtful debts	60	(20)
	Profit on sale of investments (net)	(21)	(66)
	Remeasurement of Employee Benefit	7	12
	Depletion in value of investments	-	0
	<b>Operating profit/ (loss) before working capital changes</b>	<b>(1,187)</b>	<b>(2,486)</b>
	<b>Adjustments for</b>		
	Decrease/ (increase) in Trade receivable	(141)	(146)
	Decrease/ (increase) in financial & other asset	71	(157)
	<b>Total Increase / (decrease) in Current and non current assets</b>	<b>(70)</b>	<b>(303)</b>
	Increase / (decrease) in trade payables	(34)	86
	Increase / (decrease) in financial and other liabilities	77	(213)
	Increase / (decrease) in provision	8	(18)
	<b>Total Increase / (decrease) in Current and non current Liabilities</b>	<b>51</b>	<b>(145)</b>
	<b>Cash generated from/(used in) operations</b>	<b>(1,207)</b>	<b>(2,934)</b>
	Net Prior Year Adjustments		
	Less: ( Taxes paid ) / refund received	(27)	448
	<b>Net cash generated from/(used in) operating activities</b>	<b>(1,234)</b>	<b>(2,486)</b>
<b>B.</b>	<b>Cash flow from Investing Activities</b>		
	Purchase of Fixed Assets (including Capital Work In Progress)	(141)	(214)
	Sale of Fixed Assets (net)	-	2
	Purchase of current investments	(3,108)	(4,438)
	Sale of current investments	2,702	7,779
	Fixed deposit placed with banks	(2,984)	(5,000)
	Corporate Deposits ( net )	(2,351)	(1,278)
	Fixed deposit matured	6,843	4,010
	Investment in subsidiary company	-	0
	Profit on sale of investments (net)	33	65
	Dividend from investment	-	-
	Interest received (net of accrued interest)	245	762
	<b>Net cash generated from/(used in) Investing Activities</b>	<b>1,240</b>	<b>1,688</b>
<b>C.</b>	<b>Cash flow from Financing Activities</b>		
	Lease Liability Payment	(84)	(282)
	Proceeds from issuance of shares ( Net )	-	-
	Issue of Shares to Employees by ESOP trust from Loan shares	-	-
	Receipt/(Distribution) from/to Minority Shareholders	-	-
	Security premium collected	-	-
	<b>Net Cash Generated from Financing Activities</b>	<b>(84)</b>	<b>(282)</b>
	<b>Net Increase in Cash and Cash Equivalents</b>	<b>(78)</b>	<b>(1,080)</b>
	Cash and Cash Equivalents at Beginning of the Year	177	1,257
	<b>Cash and Cash Equivalents at End of the Year</b>	<b>99</b>	<b>177</b>
	Add : Fixed Deposits held for more than three months	2,180	1,836
	<b>Closing Cash and Bank Balance</b>	<b>2,278</b>	<b>2,013</b>
	<b>Component of cash &amp; bank balance</b>		
	<b>In current account</b>		
	<b>Owned</b>	<b>78</b>	<b>123</b>
	<b>Earmarked</b>	<b>21</b>	<b>54</b>
	<b>Cash on hand</b>	<b>0</b>	<b>0</b>
	<b>Stamps in hand</b>	<b>0</b>	<b>0</b>
		<b>99</b>	<b>177</b>

## Notes :

- 1 The above unaudited standalone financial results of the Company for the quarter and half year ended September 30, 2021, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on November 12, 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 half year ended September 30, 2021 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, as amended.
- 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 SEBI has advised the Exchange to initiate Forensic Audit in certain matters which is currently on going.
- 6 Impact of COVID 19: The Company being Exchange is under Essential Service Category 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 half year ended September 30, 2021, 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 and half year ended September 30, 2021 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 Indian Limited (MCCIL) of the Exchange has raised invoices of Rs. 190.58 Lakh (cumulative Rs. 987.92 Lakhs) (excluding taxes), towards Clearing and Settlement Charges based on an erstwhile C&S Agreement (prior to interoperability), for the quarter ended September 30, 2021 (cumulative from April 1, 2020 to September 30, 2021). 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 few invoices amounting to Rs.987.92 Lakh (excluding taxes) for the period April 1, 2020 to September 30, 2021 under C&S Agreement 2012 which is unenforceable as trades are being cleared under Interoperability Agreement (IO). MCCIL has raised these 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 half year ended September 30, 2021 expressed below qualification which is summarized along with the Company's comments on the same:  
The 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 for half year ending September 30, 2021, 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 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 September 30, 2021 is much higher than the minimum regulatory requirement of Rs. 100 Crores. 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.
- 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**